



Daily Report

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Daily Report China

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General

Foreign Ministry Holds Weekly News Briefing

Qian, Wu To Attend APEC Forum

OW2810081293 Beijing XINHUA in English 0805
GMT 28 Oct 93

[Text] Beijing, October 28 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and Minister Wu Yi of foreign trade and economic cooperation will attend the 5th ministerial meeting of the Asia-Pacific Economic Cooperation [APEC] in Seattle next month.

Wu Jianmin, spokesman of the Ministry of Foreign Affairs, made this announcement at a weekly press conference this afternoon.

Vice-Premier Qian and Minister Wu will lead the Chinese delegation to attend the meeting which will be held in Seattle of the United States from November 17 to 19, the spokesman said.

Qian will also deliver a speech at Los Angeles World Affairs Council upon invitation, according to the spokesman.

On President Clinton-Jiang Meeting

HK2810111993 Beijing ZHONGGUO XINWEN SHE
in Chinese 1003 GMT 28 Oct 93

[Text] Beijing, 28 Oct (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Wu Jianmin said here today that China hopes the meeting between Chinese President Jiang Zemin and U.S. President Clinton will help promote the improvement and development of Sino-U.S. ties and at the same time increase mutual understanding.

This will be the first meeting between the heads of state of the two sides since February 1989, Wu Jianmin stated.

At the press briefing given by the Foreign Ministry this afternoon, Wu Jianmin pointed out that there have been difficulties and differences in Sino-U.S. relations in recent years. At the same time, the two sides also enjoy great common interests. The intensification of exchanges between officials of the two sides is a good thing, which will help the two countries increase understanding and will be conducive to the improvement and development of bilateral ties.

On Sino-U.S. trade talks, Wu Jianmin said that U.S. Deputy Trade Representative Barshevsky recently visited China and held talks with Chinese economic and trade officials. The talks were frank and useful. Sound Sino-U.S. economic relations and trade can exert a positive effect on the overall bilateral relations.

In a recent report on his visit to China submitted to Congress, U.S. Senator Baucus said that it is wrong to link all issues to the most favored nations [MFN] trade status. He insisted on continuing contacts with China

and resolving the problems between the two countries one by one. A reporter asked Wu Jianmin to comment on this.

All proposals conducive to the improvement and steady development of Sino-U.S. ties are welcome, Wu Jianmin replied.

Spokesman on Sino-U.S. Ties

OW2810120293 Beijing XINHUA Domestic Service in
Chinese 1031 GMT 28 Oct 93

[Text] Beijing, 28 Oct (XINHUA)—At a news conference this afternoon, Foreign Ministry spokesman Wu Jianmin answered reporters' questions on Sino-U.S. relations.

A reporter asked: In a report to the Congress on his visit to China, U.S. Senator Baucus said it is wrong to link [gua gou 2171 6869] all issues with the most-favored-nation [MFN] trade status and he stood for continuing contacts [da jiao dao 2092 0074 6670] with China to settle bilateral issues one by one. What is your comment on his report?

Wu Jianmin said: There is certain truth [you yi ding dao li de 2589 0001 1353 6670 3810 4104] in some of Senator Baucus' views in the report. For instance, he said it is wrong to link all issues with the MFN trade status. We welcome all propositions that are conducive to [you zhu yu 2589 0504 0060] the improvement [gai shan 2395 0810] and steady development [wen ding fa zhan 4489 1353 4099 1455] of Sino-U.S. relations.

A reporter asked: How are the Sino-U.S. trade talks going on? What impact will they have on Sino-U.S. relations?

Wu Jianmin said: "Deputy U.S. Trade Representative Barshevsky held talks with officials from our Ministry of Foreign Trade and Economic Cooperation during his visit to China. The talks were candid and beneficial [tan shuai er you yi de 0982 3764 5079 2589 4135 4104]. Good [liang hao de 5328 1170 4104] Sino-U.S. economic and trade relations would have a positive [ji ji 4480 2817] impact on the development of bilateral relations as a whole."

On Sino-British Talks

HK2810105493 Beijing ZHONGGUO XINWEN SHE
in Chinese 1016 GMT 28 Oct 93

[Text] Beijing, 28 Oct (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Wu Jianmin pointed out today that there have been 15 rounds of talks between China and Britain on Hong Kong's political structure. Certain progress has been made, but there is still considerable difference for an agreement to be made. On the Chinese side, we are very sincere and will continue efforts to move the talks toward an agreement on the basis of the agreed three principles.

Wu Jianmin said: Of course, both sides will have to make an effort to reach an agreement. And since there is an agreement [not to disclose contents of talks], the content of the talks cannot be revealed.

Congratulates Canada's Chretien

*OW2810085293 Beijing XINHUA in English 0846
GMT 28 Oct 93*

[Text] Beijing, October 28 (XINHUA)—A Chinese Foreign Ministry spokesman today extended China's congratulations to Jean Chretien on his being elected prime minister of Canada.

The spokesman, Wu Jianmin, said in a press conference here this afternoon, "We hope that after Prime Minister Chretien takes office, the Sino-Canadian relations will see a greater development on the basis of mutual respect, equality and mutual benefit."

Beijing Hosts Middle East Working Group on Water

*HK2710061293 Beijing CHINA DAILY in English
27 Oct 93 p 1*

[By staff reporter Xie Liangjun: "China Hosts ME Forum on Water"]

[Text] The Middle East Multilateral Working Group on Water Resources opened its 4th meeting yesterday in Beijing.

More than 150 officials and experts from 43 countries and organizations are attending the three-day talks—the first Middle East-related international conference hosted by China.

They are expected to conduct indepth discussions on the exploitation and utilization of water resources in the region as well as international cooperation in the field, according to sources from the Chinese Foreign Ministry.

The participants include representatives of the five United Nations Security Council permanent members—the United States, Russia, China, France and Britain—as well as Israel and Palestine.

Chinese Assistant Minister of Foreign Affairs Qin Huasun said at yesterday's opening ceremony that the meeting "will surely contribute to the regional cooperation and development in a constructive fashion."

The shortage of water resources is most acute in the Middle East, and it has become increasingly serious because of agricultural and industrial production and population growth.

Qin said that failure to solve the disputes and differences arising from these problems will "not only hamper the comprehensive exploitation and effective use of water resources, but also damage state-to-state relations."

He urged parties concerned to adopt a practical approach, exercise flexibility and abide by the principles of accommodation and mutual understanding.

The Chinese Government has all along supported a negotiated settlement of the Middle East conflict by the parties concerned, and has participated in the meetings of all the multilateral Middle East working groups, he added.

Qian Qichen Receives Delegates

*OW2710182093 Beijing XINHUA in English 1429
GMT 27 Oct 93*

[Text] Beijing, October 27 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this evening with delegates to the fourth meeting of the Middle-East multilateral working group on water resources.

The Mid-East meeting is of particular importance as the first to be held after the mutual recognition of the Palestinian Liberation Organization and Israel, the signing of Gaza-Jericho agreement and the breakthroughs achieved in the Middle-East peace process. Qian told the delegates.

Qian also said he wished the talks complete success.

The Middle-East multilateral working group on water resources opened its fourth round of talks here yesterday. About 150 delegates from 43 countries, including China, are taking part in the three-day meeting.

Qin Huasun, assistant minister of foreign affairs, in a welcoming speech at the opening of the talks yesterday, said the Chinese Government is happy to see a breakthrough in the Middle-East peace process.

China hopes the parties concerned will continue their efforts and make fresh progress, Qin said.

The convocation of the meeting in the Chinese capital shows once again China's position of actively taking part in the Middle-East peace process, Qin added.

Chinese Vice-Foreign Ministers Liu Huaqiu and Yang Fuchang were among those present at the meeting.

Li Peng Receives Foreign Envoys

*OW2710183893 Beijing XINHUA in English 1444
GMT 27 Oct 93*

[Text] Beijing, October 27 (XINHUA)—Chinese Premier Li Peng met with two new ambassadors, from Slovenia and Belgium, to China and the first director of the Arab League stationed in Beijing here this evening.

Li greeted Slovenian Ambassador Ivan Senicar, Belgian Ambassador Claire Kirschen and Director Ibrahim Muhammad Hassanin [name as received] of the Arab League.

Li Peng welcomed the three diplomats to work in China, saying that the Chinese side will provide them with convenience during their terms of office.

Li told Senicar that he had a pleasant talk with Slovenian Prime Minister Janez Drnovsek during an Earth Summit in Brazil. Li expressed the hope that the relations between the two countries will grow.

Senicar noted that not long ago, Slovenia played host to Chinese Vice-Premier and Foreign Minister Qian Qichen. Prime Minister Drnovsek is looking forward to meeting with Premier Li Peng.

Li told Kirschen that China is taking a positive attitude toward the development of its relationship with Belgium. Li said he hoped that bilateral cooperation between the two countries in economy and trade will be further expanded.

Kirschen said Belgium will continue to use favorable conditions brought about through China's reform and opening up and enhance mutually beneficial cooperation with the country.

Li said he appreciated the Arab League's positive role in Middle-East affairs, adding that the agreement signed between Palestine and Israel not long ago has created a good beginning to settle Middle-East issues.

Hassanin conveyed the greetings of 'Isma't 'Abd-al-Majid, secretariat [as received] of the Arab League, to Premier Li Peng.

He said the Arab League attaches great importance to its friendly relations with China.

Delegate Addresses World Law Conference

*OW2710145293 Beijing XINHUA in English 1423
GMT 27 Oct 93*

[Text] Manila, October 27 (XINHUA)—China said today that international cooperation in human rights should be truly beneficial to the development of the international cause of human rights.

Professor Huang Jiahua, a member of the Chinese delegation, told the 16th World Law Conference, "If any country only stresses its own views and content of human rights, and measures other states against its own standards, and even pursue its own political or economic aims under the pretext of human rights, it is violating the charter of the United Nations and the basic principles of modern international cooperation and promotion of the cause of human rights of the mankind."

He said that the development of international cooperation in the human rights field should first abide by the aims and principles of the United Nations charter, because the principle of respect for human rights is a component part of the charter.

In international cooperation in human rights, all countries should respect each other and have equal dialogs and discussions in order to promote mutual understanding, he added.

He said the principle of taking account of overall interest and seeking common ground while putting aside differences should be followed in international cooperation in human rights.

Though a common cause of the mankind, the situation of human rights in various countries is not the same for historic, cultural and other reasons, he noted.

He said that international cooperation in human rights also requires goodwill, sincerity, reason and farsightedness.

"The cause of human rights is a lofty one which will promote social progress and is also complicated and arduous," he said, adding "in the 20th century, people of all countries have made tremendous efforts to explore ways to promote the cause."

He said, "as mankind is entering the 21st century, people have reason to expect further development of the cause."

The five-day world law conference, which began on Monday [25 October] and will conclude on Friday, is attended by over 2,000 delegates from some 140 countries.

'News Analysis' Studies Population Summit Goals

*OW2810044093 Beijing XINHUA in English 0422
GMT 28 Oct 93*

["News analysis" by Li Jiasheng and Li Guorong]

[Text] New Delhi, October 28 (XINHUA)—The four-day population summit of the world science academies concluded here Wednesday [27 October] by calling for efforts to achieve "zero population growth" within the lifetime of today's children.

The meeting was a historical event because it was the first time that delegates of 55 science academies from all over the world gathered together to discuss the problem of the rapid population growth and what the scientists can do to tackle with it.

During the four-day meeting, the participants discussed in greater detail the problem of rapid population growth and the related topics such as demography, health care, fertility control, ecology, women's literacy and status.

After days of deliberations, a consensus was reached on the point that the population problem is a common challenge facing the whole humanity today.

Indian Minister of State for Science and Technology P. R. Kumaramangalam voiced the common concern when he said in his inaugural speech on Sunday that "the population problem is one of the most crucial issues of

our time, which has a direct bearing on the health and happiness of the coming generations."

It may be useful to note that it took thousands of years for the human population to reach one billion mark in 1830, but only one hundred years for the second billion and thirty years for the third and last billion in just about 12 years.

In view of the dimensions of the population problem, it is not overstated that the humanity is approaching a crucial point as the current world population has exceeded 5.5 billion mark.

The main achievement of the meeting is a realization that a cooperative effort among the various scientific academies is not only necessary but possible.

It is certain that scientists have an important role in the field of fertility regulation, environmental protection and economic development.

However, they can not solve all the problems on their own. It is essential for them to closely interact with social scientists and society itself to achieve the target of "zero growth".

Therefore, all the governments and concerned international institutions would better give a listening ear to the call contained in a joint statement issued before the conclusion of the summit.

According to the chairman of the last session, P. N. Tandon, the statement would be submitted to the United Nations conference on population and development which is scheduled to be held in Cairo in September, 1994.

Incisive actions should be taken immediately and an integrated policy on population and sustainable development should be adopted on a global scale as the participants urged in their joint statement.

Central Eurasia

Deputy Foreign Minister Discusses Recent Trip

OW2710022293 Beijing XINHUA Domestic Service in Chinese 0855 GMT 22 Oct 93

[By reporter Huang Huizhu (7806 1979 3796)]

[Text] Chisinau, 21 Oct (XINHUA)—China's Deputy Foreign Minister Tian Zengpei visited Estonia, Lithuania, Belarus, and Moldova 12-20 October. At the conclusion of his visit to those four countries, Tian Zengpei gave an interview to this reporter. He said his visits have increased mutual understanding with the countries he visited, and that this enhanced mutual understanding will be conducive to developing bilateral relations and strengthening friendship between the governments and peoples of China and those four countries.

When asked about his impression of the newly independent states, Tian Zengpei noted that these four countries were once the northwest border regions of the former Soviet Union, that they all have a long history and unique cultures, and had historically struggled for national independence. Following the Soviet Union's collapse, these countries all face serious economic difficulties and the loss of their former markets as well as energy and raw materials sources. They are currently exploring ways to shake off their economic predicaments and to transit toward a market economy.

He said that during his visits he discovered that these countries displayed a great enthusiasm for developing friendly cooperative relations with China in all fields. They consider China a trustworthy country and they are willing to enhance cooperation with China in various fields on the basis of equality and of mutual interests. The leaders of those countries attached particular importance to the achievements scored by China in the area of economic construction and they said China's experiences in reform are worth studying and borrowing.

Tian Zengpei said that during his visits, he and the leaders of those countries held talks on further developing friendly and cooperative relations, discussed the possibility of cooperation in various fields, as well as on cooperation methods. He said China and those four countries hold many identical or similar views on international issues.

When asked about the prospects of developing economic and trade relationships with those four countries, Tian Zengpei said China should refrain from seeking quick success and instant benefit from economic and trade cooperation with those countries. Instead, China should adopt a long-term plan and encourage well-managed large and medium enterprises to carry out cooperation with those countries. It is necessary to adopt flexible ways and diverse forms of cooperation with those countries. To enhance mutual understanding and ties between Chinese enterprises and their counterparts in those four countries, it is also necessary to increase information exchange.

Zhang Wannian Receives, Fetes Russian Commander

OW2710124493 Beijing XINHUA in English 1127 GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—General Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with and hosted a banquet for General Nikolayev, commander of Russian frontier forces, and his party here today.

General Nikolayev and his party are here for vacationing.

Lieutenant General Cao Gangchuan, deputy chief of the PLA General Staff, and Russian ambassador to China Igor A. Rogachev were present on the occasion.

Russian Government 'Accused' of Controlling Press

OW2610193293 Beijing XINHUA in English 1803 GMT 26 Oct 93

[Text] Moscow, October 26 (XINHUA)—Russian President Boris Yeltsin's close aide, Mikhail Poltoranin, today accused the government of attempting to put the Russian press under control.

Signalling growing disagreement between the president and the government (headed by Viktor Chernomyrdin), the aide proposed to create an interim state council under the president which would control the government in the absence of a parliament.

Poltoranin, also head of the Federal Information Center, told a news conference here that the preliminary decision on creating a press corporation on the basis of his center and the journalists' union "caused disagreements between the presidential and government structures."

However, he added he had not yet discussed the idea of the interim council to control the government with Yeltsin.

It was announced earlier today that the TV center of the dissolved parliament was taken over by the government press service which would air its own programs.

Northeast Asia

ROK Foreign Minister Pays Official Visit

Arrives in Beijing

OW2710135793 Beijing XINHUA in English 1347 GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—Han Sung-chu, minister of foreign affairs of the Republic of Korea (ROK), arrived here this evening on a five-day official visit to China at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

This is Han's first visit to China since his assumption of ROK foreign minister.

Chinese Vice-Foreign Minister Tang Jiaxuan was among those who greeted him at the airport.

To Call on Jiang Zemin 29 Oct

SK2810075393 Seoul YONHAP in English 0738 GMT 28 Oct 93

[Text] Beijing, Oct. 28 (YONHAP)—Visiting South Korean Foreign Minister Han Sung-chu is expected to call on Chinese President Jiang Zemin on Friday and seek Beijing's support on North Korea's nuclear problem.

Han, here since Wednesday at the invitation of Chinese Foreign Minister Qian Qichen, is expected to request

Jiang's support in promoting bilateral relations timed with a summit expected during the Asia Pacific Economic Cooperation (APEC) conference in Seattle next month.

Sources here said that Han's meeting with the Chinese leader will be an opportunity to make clear once again South Korea's position regarding North Korea's nuclear problem and the joint Korea-U.S. "Team Spirit" military maneuvers.

They noted that the visit comes as North Korea and the United States are engaged in last-minute contacts on the nuclear issue.

The foreign minister is also likely to use his visit to encourage China to purchase South Korea's TDX telephone switching system and allow automobile imports, the sources said.

Views DPRK, Nuclear Issue With Qian

SK2810083693 Seoul YONHAP in English 0815 GMT 28 Oct 93

[Text] Beijing, Oct. 28 (YONHAP)—South Korea and China agreed on Thursday they should try to solve North Korea's nuclear problem through dialogue and avoid taking the matter to the United Nations.

Foreign Minister Qian Qichen stressed to his South Korean counterpart, Han Sung-chu, that the best solution is for North Korea to engage in sincere dialogue with South Korea, the United States and the International Atomic Energy Agency (IAEA).

Qian praised Seoul's efforts so far for a peaceful settlement and promised China's own continued efforts for a successful resolution of the nuclear situation. Yu Pyong-u, the South Korean Foreign Ministry's director-general of Asian Affairs, said after the talks.

The two foreign ministers agreed to exchange military attaches between their embassies this year and to open consulates-general in major cities. They also agreed to work for early conclusion of an aviation pact opening direct services between Seoul and Beijing.

Han has been in the Chinese capital since Wednesday evening at Qian's invitation. Qian was in Seoul in May.

Qian was quoted as saying that the outcome of North Korea's nuclear problem is closely related with settlement of peace and stability in North East Asia.

He asked that all involved nations treat the issue "with objectivity," Yu said.

The South Korean foreign minister agreed that dialogue should be the solution, but refused to be totally optimistic.

The nuclear safeguards are on the verge of being broken, and the international community cannot but act in such a case, Han told Qian.

While South Korea will try its best for a solution through dialogue, the situation is not all optimistic, Han said.

He warned that the matter will have to be referred to the U.N. Security Council if Pyongyang refuses to continue with the safeguards, according to Yu.

He asked for Beijing's persuasion of Pyongyang, and urged China to find other ways of cooperation if it's unsuccessful.

The two foreign ministers promised to open fisheries talks in December to address the increasing incidents of illegal fishing by Chinese vessels in Korean waters.

They agreed in principle that the two countries should sign an agreement on avoidance of double taxation in the nearest future.

Requests PRC's Assistance With DPRK

*SK2810103393 Seoul KBS-1 Radio Network in Korean
0900 GMT 28 Oct 93*

[By correspondent Yi Tong-sik from Beijing]

[Text] President Kim Yong-sam and Chinese President Jiang Zemin will hold the first ROK-PRC summit in Seattle on 19 November. Foreign Minister Han Sung-chu, who is now visiting China, said that he held a meeting with Chinese Foreign Minister Qian Qichen in Beijing this morning [28 October] and they agreed on this. They will have further discussions on the time and place of the summit.

In today's meeting, Minister Han mentioned the possibility that the International Atomic Energy Agency [IAEA] will discontinue safety inspections of North Korean nuclear facilities [sisol] and said that the North Korean issue should be immediately resolved. He asked China to persuade North Korea for the solution of this problem through dialogue. He also requested that China consider a way to cooperate in international measures against North Korea in case the international measures become inevitable.

In response to Minister Han's request, Chinese Foreign Minister Qian Qichen said that it is desirable to resolve the North Korean nuclear issue through patient dialogue among South and North Korea and the IAEA. Minister Qian Qichen also said that China expected good results from the third round of U.S.-North Korean talks and promised that China would make efforts to solve the problem in its own way [narumdaero].

The ROK and Chinese foreign ministers agreed to establish military attache offices in Beijing and Seoul before the end of the year. They also agreed to establish consulates-general in each other's country.

Further on Talks With Qian Qichen

*OW2810114593 Beijing XINHUA Domestic Service in
Chinese 0732 GMT 28 Oct 93*

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 28 Oct (XINHUA)—Vice Premier and Foreign Minister Qian Qichen and Han Sung-chu, foreign minister of the Republic of Korea [ROK], held talks at the Diaoyutai State Guesthouse this morning, and exchanged views on bilateral relations and regional and world issues of common interest.

Qian Qichen extended his warm welcome to Han Sung-chu's official visit to China and happily recalled his visit to the ROK in May of this year. This was the fifth meeting for the two ministers this year. Qian Qichen said: "I believe Your Excellency's current visit to China will definitely further advance the development of relations between the two countries."

Han Sung-chu expressed his thanks for the lavish hospitality and warm welcome he received in Beijing. He said he was very happy to meet again with Qian Qichen following their meeting in Seoul in May of this year.

Qian Qichen said: China and the ROK are close neighbors. Since the two countries established diplomatic relations more than one year ago, the two countries have seen a rapid development in bilateral relations, with cooperation and exchanges extending to more and more areas and becoming larger and larger in scale; and bilateral economic relations and trade are continuing a good development trend. These achievements are the result of joint efforts made by the two sides.

He said: In cooperation in science and technology, departments concerned from the two countries have set up sound ties, and the future for such cooperation is promising.

Qian Qichen said: "We are pleased with the constant development in bilateral relations. Further expansion and development of such good-neighborliness and cooperation are not only in line with the fundamental interests of the two peoples, but also beneficial to stability, peace, and development in Northeast Asia, in Asia as a whole."

Han Shun-chu said: Since the two countries established diplomatic ties more than one year ago, bilateral ties have developed rapidly in various fields including high-level exchanges, trade and economic cooperation, and science and technology.

He said that the ROK and China share many common understandings, and hoped that such a good bilateral cooperative trend would be further promoted on the basis of existing cooperation.

Han Shun-chu hoped that the trade and economic relations between the two countries would develop constantly in a balanced way and expected the discussions

on other cooperative projects would continue and a positive outcome for such discussions be achieved.

Qian Qichen said that China would adopt an active attitude to promote bilateral cooperation with mutual benefit in various fields.

Vice Foreign Minister Tang Jiaxuan and ROK ambassador to China Hwang Pyong-tae attended the talks.

Following the talks, the two foreign ministers signed an agreement on environmental cooperation between the two governments.

Qian Qichen hosted a banquet in the evening in honor of Han Sung-chu and his party.

Confers With Li Peng on DPRK

SK2810130193 Seoul YONHAP in English 1245 GMT 28 Oct 93

[Text] Beijing, Oct. 28 (YONHAP)—Chinese Premier Li Peng met visiting South Korean Foreign Minister Han Sung-chu on Thursday afternoon and said China has been trying to help resolve North Korea's nuclear question.

Li stressed before Han that "the North Korean nuclear issue should be settled peacefully through dialogue rather than through international pressure."

Li Peng was said to have also stated that China had at no time supported North Korea's nuclear development.

"North Korea should not be isolated in the interest of stability in Northeast Asia, and it is desirable for the United States and North Korea to improve their relations," Li was quoted as saying.

Yu Pyong-u, South Korean Foreign Ministry's director-general for Asian Affairs, said after the Li-Han meeting that Li also stated China would always consult with the South Korean Government for stability on the Korean peninsula and the rest of Northeast Asia.

Minister Han told Li that South Korea does not want to see North Korea isolated from the rest of the world community.

"One short-cut to ending the Cold-War mechanism of Northeast Asia is to lead North Korea toward changes and reforms and into a responsible member of the international society," Han said.

Minister Han is expected to pay a call on Chinese President Jiang Zemin on Friday morning to convey President Kim Yong-sam's personal message.

Han is also likely to exchange opinions with Jiang on the South Korea-China summit slated for Nov. 19 in Seattle.

Economic Issues Discussed With Li

OW2810143993 Beijing XINHUA Domestic Service in Chinese 1244 GMT 28 Oct 93

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 28 Oct (XINHUA)—When meeting with Korean Foreign Minister Han Sung-chu and his party in the Diaoyutai State Guesthouse this afternoon [28 October], State Council Premier Li Peng said China is willing to work with the ROK to further develop friendly and cooperative relations between the two countries on the basis of the five principles of peaceful coexistence.

Li Peng welcomed Han Sung-chu's first visit to China. He said: Though it was only 14 months ago that China and the ROK established their diplomatic relations, bilateral relations and, in particular, economic relations and trade have enjoyed rapid development. "We are pleased [gan dao gao xing 1949 0451 7559 5281]" with this. He expressed the belief that Foreign Minister Han Sung-chu's current visit to China will surely play a role in promoting further development of bilateral relations.

Li Peng said: It is the common desire of the Chinese and Korean peoples to develop good-neighborly relations between the two countries. It is in their long-term interests, and is conducive to the stability and peace in Northeast Asia and in Asia.

He said: Chinese and Korean economies have their respective strong points and there is a very good possibility that they can complement each other. Coupled with the favorable factor of their geological locations, which are close to each other, the potential for the two sides to develop cooperative relations is very great.

Li Peng said: China's investment environment is becoming better and better. "We welcome Korean industrialists and businessmen to invest and set up enterprises in China. The legitimate rights and interests of Korean investors will be protected."

Touching on the situation on the Korean peninsula, Li Peng said: China has always been concerned with [guan xin 7070 1800] the development of the situation on the Korean peninsula, and sincerely hopes that the situation there will ease [huan he 4883 0735] and remain stable.

Han Sung-chu said: After the ROK and China established diplomatic ties, the relations between the two countries have been developing very quickly, indeed. Facts in more than a year show there are very broad prospects for the two countries to conduct economic cooperation and trade.

He said: The good momentum of a sustained economic development in China has caught the attention of the world. The ROK's economic circles are full of confidence in developing economic relations and trade with China.

He hoped his current visit to China will serve as a new turning point [qi ji 1148 2623] for promoting further development of bilateral relations.

Han Sung-chu also conveyed regards from President Kim Yong-sam and Prime Minister Hwang In-song to President Jiang Zemin and Premier Li Peng. Li Peng asked Han Sung-chu to convey Jiang Zemin's and his regards to Kim Yong-sam and Hwang In-song after the latter returns home.

In the afternoon, Han Sung-chu also exchanged views on further developing bilateral economic relations and trade with Foreign Trade and Economic Cooperation Minister Wu Yi.

Li Peiyao Meets Japanese Trade Union Delegation

OW2710123893 Beijing XINHUA in English 1159 GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—Li Peiyao, vice-chairman of the Standing Committee of the National People's Congress (NPC) and vice-president of the All-China Federation of Trade Unions, met with a Hokkaido friendship delegation from Japan and gave a dinner in its honor here this evening.

During the meeting in the Great Hall of the People, Li and Toshitsuka Aihara, president of the Hokkaido Labor Federation and head of the delegation, exchanged views on how to enhance the friendship between the two federations and the two countries.

The 203-member delegation arrived in China on October 22 for a week-long visit as guests of the All-China Federation of Trade Unions.

Southeast Asia & Pacific

Singapore Trade, Industry Minister To Visit

OW2710133393 Beijing XINHUA in English 1320 GMT 27 Oct 93

[Text] Singapore, October 27 (XINHUA)—Singapore Minister for Trade and Industry S. Dhanabalan will pay a week-long visit to China from Thursday [28 October].

The Ministry of Trade and Industry said here today that Dhanabalan will sign a memorandum of understanding with China Friday and then he will also witness the inaugural meeting of the Singapore-Shandong Business Council (SSBC) on November 3.

The minister will be accompanied by his wife and Tang Guan Seng, political secretary to the prime minister and co-chairman of SSBC and senior officials from the Ministry of Trade and Industry and members of the SSBC.

The memorandum of understanding (MOU) between Singapore and China will be signed by Minister Dhanabalan and Wuyi, minister for foreign trade and economic cooperation of China in Beijing. The MOU will form the framework for economic cooperation between the two countries.

After the ceremony, Dhanabalan will proceed to Shandong Province to witness the inaugural meeting of the Singapore-Shandong Business Council at Jinan city.

The objective of the SSBC is to provide a framework for economic and trade cooperation between Singapore and the Shandong Province. The council is co-chaired by Tang Guan Seng (Singapore side) and Song Fatang, vice-governor of Shandong Province, and comprises 12 council members each from Singapore and Shandong Province of China.

Ding Guanggen Receives Vietnamese Journalists

OW2710130293 Beijing XINHUA in English 1231 GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—Ding Guanggen, member of the Political Bureau of the Communist Party of China (CPC) Central Committee and member of the Secretariat of the CPC Central Committee, met here today with a delegation from the Vietnamese newspaper NHAN DAN.

During their meeting in the Great Hall of the People, Ding and Huu Tho, editor-in-chief of the newspaper and head of the delegation, discussed ways to enhance exchanges and cooperation between the two parties and between their organs—the NHAN DAN newspaper and the PEOPLE'S DAILY [RENMIN RIBAO].

The three-member delegation arrived here Monday [25 October] on a one-week visit in China as guests of the PEOPLE'S DAILY. They are also scheduled to visit Suzhou and Guangzhou cities in east and South China.

Thai-Chinese Commerce Delegation Visits

HK2810073593 Beijing ZHONGGUO XINWEN SHE in Chinese 0844 GMT 20 Oct 93

[By Li Zongbo (2621 1350 0590)]

[Text] Beijing, 20 Oct (ZHONGGUO XINWEN SHE)—A delegation from the Thai-Chinese General Chamber of Commerce, led by Dr. Zheng Ming-ru, participated in activities to commemorate the 40th anniversary of the founding of the All-China Federation of Industry and Commerce. In an interview with this reporter in Beijing, he said that cooperation between Thai and Chinese industrial and commercial circles was getting better and better.

Dr. Zheng Ming-ru said: Over the past two years, China's investment environment has much improved and the policies concerned have become more and more perfect. Thai businessmen, who are confident about investing in

China, have successively gone to China to find partners for business cooperation, and many projects have been started and put into production. As far as economic cooperation between Thai and Chinese industrial and commercial circles is concerned, an unprecedented upsurge has emerged.

Talking about the Thai-Chinese joint venture, Nanchang Huashang Shoe City, which broke ground a few days ago, Dr. Zheng said: This project has been commended by the Thai and Chinese governments. Four Thai Government officials, including the vice labor minister, attended the ground-breaking ceremony and inscriptions were written by PRC Premier Li Peng, Vice Premier Li Lanqing, and Ma Wan-chi, vice chairman of the National Committee of the Chinese People's Political Consultative Conference.

Huashang Shoe City was jointly founded by industrial and commercial circles of Thailand, represented by Dr. Zheng Ming-ru and the Thai Chinese Businessmen Group (International) Industrial Company Limited, and Chinese enterprises, represented by the Jiangxi Provincial Securities Company and Nanchang City's Changbei Investment Company. The shoe city, which covers an area of 902 mu and involves a total investment of \$120 million, will introduce advanced production lines and technology from foreign countries to produce high-grade shoes and leather.

Dr. Zheng Ming-ru said that the construction of the Mingru Hotel on Silver Beach in Beihai City, Guangxi, in which he has invested \$40 million, is proceeding smoothly and the hotel could open next year. The characteristic style of Thailand will be seen at the Mingru Hotel, where Thai food and services will be provided by Thai chefs and attendants.

The first stop on Dr. Zheng's current visit to China was Shenzhen. He went there to attend the Chinese Large and Medium Enterprise Foreign Economic and Technological Cooperation Trade Talks, during which a delegation of Thai-Chinese General Chamber of Commerce signed dozens of contracts and letters of intent.

The second stop was Xuzhou. Dr. Zheng said: Xuzhou has some pretty good conditions, but it is not conveniently located. The delegation signed five contracts there, namely, a joint-venture airport expansion project, a joint-venture project to introduce equipment and technology to transform a textile mill, a shoe factory, a leather handbag factory, and a food products factory.

The third stop was Nanchang. The delegation visited a motor works with which it was going to cooperate by introducing air-conditioned automobile production lines and technology to transform auto chassis. Moreover, the delegation attended a foundation stone ceremony for a feed-processing plant invested in by Chen Jing-yan and Chen Xing-bo, who are members of the chamber of commerce.

In view of the contribution made by Dr. Zheng Ming-ru in promoting cooperation between Thai and Chinese industrial and commercial circles, the Jiangxi Provincial Government has engaged him as an economic adviser and the Nanchang City Government awarded him the title of honorary citizen.

Talking about investment moves in China taken recently by the Thai-Chinese General Chamber of Commerce, Dr. Zheng Ming-ru said: The members of the chamber of commerce are going to raise funds to invest in the "Thailand City" project to be built in Tianjin, which is an entertainment area merging Thailand's folk customs, songs, dances, Buddhist art, Thai boxing, an elephant show, and Thai food into a single whole.

Members of the chamber of commerce will also cooperate with the Changchun City People's Bank and the Zhengzhou City People's Insurance Company to build a jewelry processing plant.

Dr. Zheng Ming-ru said: Thai and Chinese industrial and commercial circles have a good relationship and will be engaged in a wider scope of cooperation in the future.

Near East & South Asia

Agriculture Minister Begins Visit to Israel

OW2710203093 Beijing XINHUA in English 1992
GMT 27 Oct 93

[Text] Jerusalem, October 27 (XINHUA)—Chinese Agriculture Minister Liu Jiang arrived here late today for a week-long official visit to discuss with his Israeli hosts further cooperation in agriculture.

Liu, the first Chinese minister to visit the Jewish state this year, came here only a dozen days after Israeli Prime Minister Yitzhak Rabin toured China.

In a welcoming ceremony at the airport, Liu told his Israeli hosts that he has come to learn from Israel, which has made much ecological field over the past few decades.

The two countries can exchange their own experiences in the field, thereby promoting friendship between the two peoples, Liu said.

Ya'akov Tzur, Israel's minister of agriculture, also spoke at the ceremony. He stressed that the Chinese minister's visit will strengthen both political and commercial ties between Israel and China, two countries bearing brilliant ancient civilization in Asia.

He expressed Israel's interest in helping China develop its agriculture with the Jewish state's advanced technologies and inventions.

Israel has accumulated a lot of experiences in developing its agriculture, with irrigation system and water-saving system in particular.

There are only about 30,000 farmers in the country which has a population of 5.3 million.

The Israeli minister told XINHUA that he and his Chinese counterpart will discuss establishing an experimental farm in China with Israel's technology.

He disclosed that some agreements on agricultural cooperation will be signed during the Chinese official's visit.

During his week-long stay in Israel, Liu is expected to meet with Prime Minister Yitzhaq Rabin and Foreign Minister Shim'on Peres, Chinese Embassy sources said.

Liu will also visit agricultural research and desert research institutions in Israel.

China and Israel set up diplomatic ties in early 1992, which have developed steadily ever since.

Article Views Visit of Israeli Prime Minister

OW2710175293 Beijing BEIJING REVIEW in English No 43, 25-31 Oct 93 p 4

[By staff reporter Xiong Sihao: "Rabin's China Tour Broadens Cooperation"—BEIJING REVIEW headline]

[Text] China pledges to support the Middle East peace process and back all efforts and accords conducive to a just and reasonable solution to the Middle East issue, Premier Li Peng said during his meeting with Israeli Prime Minister Yitzhaq Rabin.

Rabin visited Beijing from October 10 to 14. This has made him the first Israeli Prime Minister to visit China. It is also his first visit to a country outside the Middle East since Israel and the Palestine Liberation Organization (PLO) signed a peace accord in Washington last September.

Li and Rabin agreed that the peace accord on Palestine self-rule was a "very sound beginning and actually a break-through in the Middle East peace process."

"The question of Palestine constitutes the crux of the Middle East issue," Premier Li said. "The breakthrough in this aspect will pump new impetus into Arab-Israeli talks."

Li added that the implementation of the accord would face difficulties and obstacles. "We hope Israel and Palestine will continue adopting a flexible and pragmatic attitude so as to make further progress."

During the meeting, both Li and Rabin vowed to further foster friendly relations between their countries. Li described Rabin's five-day tour in China as of "significance for promoting Sino-Israeli relations."

Rabin believed that China is able to play a positive role in ensuring a conducive atmosphere for implementing the peace accord between Israel and the PLO.

"China has good relations with many of the Arab-Islamic countries in the region. No doubt, the support of China for the agreement between the PLO and Israel, which was expressed publicly, assist the implementation of the agreement," said the Israeli Prime Minister.

He said that while there is a big disparity between Israel and China in size and population, both the Jewish and Chinese nations have a long history. "We are willing to further develop the relations between our two countries," he added.

Li said that Sino-Israeli cooperation has seen "a satisfying expansion." During the less than two years since the two countries forged formal links in early 1992, the two governments have signed a range of agreements in the sectors of trade, science and technology, public health and culture.

During Rabin's visit, the two sides signed an agreement to open a direct flight between Beijing and Tel Aviv.

Li welcomed Jewish people all over the world, as well as Israeli industrial and commercial people, to develop different forms of cooperation in China, including making investments and setting up businesses.

While Sino-Israeli economic cooperation enjoys a broad prospect, the present trade volume remains low, totalling less than US\$100 million a year, which is disproportionate to the two countries' economics, Li said.

The Chinese government supports relevant departments of the two countries in seeking and exploring ways to promote mutually-beneficial cooperation, thus expanding bilateral trade, Li asserted.

Rabin said that Israel-China ties already have a good start. What needs to be done now is to take further steps in various fields to ensure continued in-depth expansion, he said.

At an October 13 press conference in Beijing, Rabin said that the US Central Intelligence Agency (CIA) report, which alleged that Israel has sold billions of dollars of arms to China, is "total nonsense."

The Israeli Prime Minister said that his country has never transmitted any item or technology from the United States without its permission. "We are the end user."

He admitted that Israel and China have military cooperation. "We have relations, but they are not done in any way in contradiction to our commitments by law or by agreement with the United States," Rabin said.

'News Analysis' on Israeli Views on PLO, Syria

OW2610142893 Beijing XINHUA in English 1400 GMT 26 Oct 93

["News Analysis" by Huai Chengbo: "Israel Pursues 'PLO First' in Middle East Negotiations"]

[Text] Jerusalem, October 26 (XINHUA)—Israel has made it clear that it would give top priority to Israel-PLO negotiations on enforcing the plan of limited Palestinian self-rule in Gaza and Jericho in the coming months as the Israeli-Syrian track appears to be deadlocked over the Golan Heights.

Prime Minister Yitzhak Rabin passed a message to Syria last week that Israel will resume negotiations in "earnest" over the Golan Heights after the Gaza-Jericho accord is implemented, officials were quoted as saying in the local press today.

The messages were passed back and forth by Dennis Ross, U.S. special coordinator for the Middle East peace process, during his five-nation Middle East swing last week.

The U.S. envoy's mission was aimed at seeking to break the Israeli-Syrian stalemate in peace talks and preparing for a possible diplomatic shuttle by Secretary of State Warren Christopher in the near future. Ross visited Egypt, Tunisia, Jordan, Israel and Syria.

During his stay in Jerusalem, an official in the Prime Minister's Office said Ross was told that "we are serious about talks with Syria after implementation with the Palestinians of Gaza-Jericho."

But he was vague about whether returning to negotiations on Golan after the implementation in December—when the army pullout from Gaza and Jericho begins—or in April when the implementation is scheduled to be completed.

Ross devoted eight hours to talks with Syrian President Hafiz al-Asad in Damascus and flew back home, not as previous reports said he might return to Jerusalem with something from Syria to Israel.

There is still a big gap between Syria and Israel over the Golan Heights, a strategic plateau seized by Israel in the 1967 Middle East war.

Syria is demanding a complete Israeli withdrawal from the occupied Golan Heights, while the Jewish state is insisting that Damascus should spell out the terms of peace before committing itself to any withdrawal.

Rabin told reporters in a recent interview that he stands for full withdrawal from Golan in return for full peace. But he added that he also has reservations: withdrawal on the Golan Heights to secure and recognized boundaries.

The geographic depth will be dependent on what Israel will get in return in terms of peace. "Full peace" means, according to Israelis, full diplomatic recognition, open borders and exchange of ambassadors.

Perhaps it is not just a diplomatic manoeuvre for Israeli leaders to say that they should now focus their efforts on the Taba talks between Israel and the PLO, which have proved none too easy for both sides.

The Rabin government, a frail coalition, is facing grave domestic constraints, both political and economic. It takes time for digestion.

Israel was also exacerbated by Syria's threat to boycott the next round of Arab-Israeli talks in Washington.

"We will not go to Washington to participate in sterile and non-profitable talks," said Syrian Foreign Minister Faruq al-Shar'. "We will only go when the Israelis show they are serious about achieving results."

Al-Shar', who visited Cairo earlier this month, also criticized PLO Chairman Yasir 'Arafat for going behind the backs of his Arab partners in the peace process to secretly come to terms with Israel, although Syria fell short of flatly opposing the PLO-Israeli agreement.

In response, Israeli Foreign Minister Shim'on Peres, in an interview with the Egyptian newspaper "AL-AHRAM" last week, criticized Syrian for adopting what he called a hard line towards peace and refusing to open new channels of dialogue with Israel.

"Syria wants peace and land without opening borders and exchanging ambassadors," he said.

In a related report from Washington, the U.S. had indicated that it would not pressurize Israel to change its policy towards Middle East negotiations.

President Clinton told reporters Monday that peace efforts in the Middle East must be first focused on implementing the Israeli agreement with Palestinians. The statement is regarded here as an echo to the "PLO first" choice on the part of the Israeli Government.

The Syrians have reportedly placed hopes on the U.S. to play a more "active" role in persuading Israel into returning to the Syrian track in a serious way. Christopher previously agreed to come to the Middle East following Ross' fact-finding tour.

However, it is likely that his visit will take place at a date after a meeting between Rabin and Clinton in the White House around November 15.

Sub-Saharan Africa

South African Economic, Trade Ties To Resume

OW2810092893 Beijing XINHUA Domestic Service in Chinese 0723 GMT 28 Oct 93

[Text] Beijing, 28 Oct (XINHUA)—A spokesman from the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] announced here today that China has decided to resume its economic and trade ties with South Africa.

On September 25, the Chinese Government stated that China would respond positively to the appeal made by Mandela, chairman of South Africa's African National Congress, calling for the lifting of economic sanctions

against South Africa by the international community. At the same time, the Chinese Government took notice of the fact that the South African Parliament had passed a bill on September 23 to set up a transitional Executive Council following an agreement reached in the multi-party negotiations.

The spokesman said: MOFTEC welcomes the important progress made in South Africa's peace process and has decided to resume China's economic and trade relations with South Africa, which were suspended since July 1960. MOFTEC will actively promote direct trading and economic cooperation between Chinese economic and trade enterprises and their South African counterparts.

East Europe

Continued Reportage on Hungarian Official's Visit

Meets With Qiao Shi

LD2610182193 Budapest MTI in English 1720 GMT 26 Oct 93

[Text] Beijing, October 26 (MTI)—Speaker of Hungarian Parliament Gyorgy Szabad began his talks in China early this week.

On Tuesday he met Qian Zhengying, deputy chairman of the Chinese People's Political Consultative Committee, and Qiao Shi, chairman of the Standing Committee of the Chinese National Peoples' Congress.

The Chinese leader was satisfied to note that relations between the two legislatures remained unbroken recently. (There was a two-year break in relations after student protests were crushed in Tiananmen Square, but links resumed in September 1991.)

Qiao said China followed Hungarian developments with great interest. Chinese officials said China hopes to use Eastern European experience in framing new market-style business laws

Confers With Li Peng

OW2710143193 Beijing XINHUA in English 1406 GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—Chinese Premier Li Peng today had a friendly talk with Gyorgy Szabad, president of the Hungarian National Assembly, on bilateral relations and other issues.

During the meeting, Li said the Chinese and Hungarian peoples have shared traditional friendship.

On the whole, Li said, great progress has been made in cooperation and exchanges between the two countries in every field since they established diplomatic ties more than 40 years ago.

Over the past few years, Li said, growing contacts between the two parliaments, the two governments and the two peoples have deepened mutual understanding and friendship.

He said: "We take a positive attitude toward Sino-Hungarian economic relations and trade, and are willing to actively explore new ways for further expansion of such cooperation."

Li said it is China's consistent stand that all countries, big or small, poor or rich, strong or weak, should be equal. China respects the way that the Hungarian people have chosen, he said.

The premier said: "We hold that the different social systems, ideologies and the ways of life will not become obstacles to developing bilateral ties."

Li also explained the meaning of the structure of China's socialist market economy and briefed the visitors on China's policy on ethnic minorities.

During the meeting, Li reviewed his visit to Hungary with pleasure in the early 1980s.

Szabad conveyed the greetings of Hungarian Prime Minister Antall Jozsef to Premier Li Peng.

Szabad said every party in the national assembly is paying attention to China's development. He added that the achievements China has made are not accidental, but the results of implementing correct policies.

He said there is no fundamental conflicts of interest between the two countries, and added there are broad prospects for developing bilateral relations.

He welcomed China to participate in an international fair to be held in Hungary in 1996.

Holds News Conference

LD2710173293 Budapest MTI in English 1710 GMT 27 Oct 93

[Text] Beijing, October 27 (MTI)—Speakers of the Hungarian and Chinese parliaments have agreed to boost the exchange of information between the two parliaments. Speaker of Hungarian Parliament, Gyorgy Szabad, said on Wednesday, at a press conference in Beijing.

Szabad said they would also send each other copies of new legislation and that his Chinese hosts had shown great interest in Hungary's legislative system.

On Wednesday, Szabad also met Chinese Premier Li Peng, who said China intended to participate in the Budapest World Expo in 1996.

Szabad said the Chinese premier had said Hungary's development was promising and had compared the Hungarian and Chinese situations. He had said both countries were undergoing transformation.

Although transformation was not identical, there were certain similarities, inasmuch as both countries strove to merge traditions with modernization, the Chinese premier told Szabad, who said he agreed with Li Peng's statements.

Li Peng outlined China's planned "socialist market-economy" and distanced it from the Soviet-type socialist systems, Szabad said.

Szabad said the Chinese considered Hungary relatively stable within the whole east-central European region and thought Hungary could be a bridge-head for Chinese trade in the region.

Answering a question from a Chinese journalist, Szabad said Hungarian-Chinese relations were good, free of conflict and friendly and that there were still many more areas for cooperation.

Political & Social

State Council To Support Reform Via Legislation

OW2710152493 Beijing XINHUA in English 1440
GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—The State Council has decided to enhance legislation in an effort to promote and guarantee the establishment of a socialist market economy.

In a document distributed nationwide, the State Council mandates government bodies and departments at all levels to have a good understanding of the importance of making legislative work a success.

The document states: "Legislative work, an important component of a socialist legal system being established, constitutes an important guarantee for the creation and improvement of a socialist market economy."

Only by legalizing administrative acts will it be possible to enhance administrative efficiency fundamentally, and ensure the continuity and stability of current policies, it notes.

The document orders government bodies and departments at all levels to take "all possible and feasible" measures to improve legislative work markedly.

It states that the guidelines and objectives of legislation in the years to come are to earnestly perform duties and functions provided for by China's constitution and other laws, enhance legislation and make sure that various tasks set by the party's 14th national congress, held in 1992, and the first session of the Eighth National People's Congress, held earlier this year, are fulfilled and that the government operates efficiently "in a legislative orbit."

In so doing, governments at all levels must follow Deng Xiaoping's theory of building socialism with Chinese characteristics and the Chinese Communist Party's basic line of taking economic construction as the country's central task, while trying to meet the needs for the creation of a socialist market economy.

"Governments at all levels must focus their legislation on the formulation of economic laws and regulations, and speed up legislation regarding the socialist market economy," the document states.

They must also pay close attention to the formulation of laws and regulations to promote the growth of such sectors as education, science and technology, culture and public health, to enhance democracy and protect citizens' rights, and to maintain public security, combat corruption and build a clean government.

In accordance with the document, all administrative laws and regulations that do not meet the needs of the reform, opening to the outside world and the market economy must be either revised or abolished promptly.

The document also mandates governments at all levels to conscientiously accept the party's leadership, and accept the supervision by people's congresses and their standing committees, by Chinese people's political consultative conferences and non-communist parties, and by public opinions and the people.

'Opinions' on Implementation of Discipline Rules

OW2810083893 Beijing XINHUA Domestic Service in Chinese 2106 GMT 22 Oct 93

[Text] Beijing, 23 Oct (XINHUA)—Full text of the "Opinions About the Implementation of the 'Five Provisions' Regarding Honesty and Self-Discipline Among Leading Cadres of Party and Government Organs at and Above the County (Office) Level," formulated by the Central Discipline Inspection Commission, the Central Propaganda Department, and the Ministry of Supervision, and approved by the CPC Central Committee:

Opinions About the Implementation of the "Five Provisions" Regarding Honesty and Self-Discipline Among Leading Cadres of Party and Government Organs at or Above the County (Office) Level

The "Five Provisions" regarding honesty and self-discipline among leading cadres of party and government organs at and above the county (office) level, reiterated and presented in the "Decision of the CPC Central Committee and State Council on Effectively Carrying Out Several Tasks in the Anticorruption Struggle in the Immediate Future" (hereafter abbreviated to "Decision"), are important measures taken to deepen the present anticorruption struggle, and to promote healthy party style and clean government. To make sure that leading cadres at all levels will strictly observe the "Five Provisions," to provide a basis for discipline enforcement, and to guarantee the correct implementation of the "Five Provisions," we put forward the following opinions about the implementation:

First, the "Five Provisions" apply to leading cadres of party and government organs at and above the county (office) levels; namely, leading cadres holding deputy county and higher offices in party organs, people's congress organs, administrative organs, organs of the Chinese People's Political Consultative Conference committees, judicial organs, and procuratorial organs, as well as cadres who have reached the retirement age but have not gone through relevant formalities.

The "Five Provisions" also apply to leading cadres who hold deputy county (office) and higher positions in companies which are established according to state provisions and which possess administrative functions, institutions (federations) which possess administrative functions, and such mass organizations and groups as trade unions, communist youth leagues, women's federations, federations of literary and art circles, and science associations.

The "Five Provisions" also apply to cadres who hold deputy county (office) and higher positions in the above organizations but who do not perform leadership duties.

Second, people whose actions violate the "Five Provisions" shall be handled according to relevant party and state provisions when such provisions exist. They shall be handled according to the "Opinions About Implementation" when such provisions do not exist.

Provisions promulgated earlier by the party Central Committee, the State Council, and the Central Discipline Inspection Commission shall be followed when dealing with cases involving persons engaged in business or enterprise operations; people who use their power to grant their spouses, children, relatives, and friends favorable terms in the latter's business undertakings or enterprise operations; people who receive remuneration by holding concurrent positions (including honorary posts) in various economic entities; people who receive reimbursements for their personal expenses from subordinate units, enterprises, or institutions; and people who accept monetary gifts and negotiable securities while on official business. Those who check and correct themselves shall be treated with leniency.

Where no existing stipulations apply, persons who violate the "Five Provisions" shall be handled as follows:

1. People engaged in compensatory brokerage services before the "Decision" has gone into effect shall be handled as those operating businesses or enterprises.

Those who continue to perform such services after the "Decision" has gone into effect shall be ordered to stop. Their business income shall be confiscated and they shall be given party or administrative disciplinary punishments according to the seriousness of their cases.

2. People who legally possessed shares before the "Decision" has gone into effect must register with their units and sell their shares according to stock transaction rules. Those who hold shares for enterprise workers must immediately resell them to relevant enterprises for the price paid during the shares' issuance. Those who purchased or obtained for free shares which are internally circulated among enterprise workers after the promulgation of the "State Council General Office's Emergency Circular on Retransmitting the 'Opinions About Immediately Stopping Unregulated Issuance of Internal Shares for Enterprise Workers' of the State Economic Restructuring Commission and Other Departments," must immediately hand over their shares to relevant enterprises and be given party or administrative disciplinary punishments according to the seriousness of their cases.

Those who purchase or sell shares after the "Decision" has gone into effect shall be given party or administrative disciplinary punishments according to the seriousness of their cases. They shall also be handled according to the provisions of the "Interim Regulations on the Management of Stock Issuance and Transaction."

Shares obtained for free or illegally, and illegal incomes generated from such shares shall be confiscated, and their owners shall be given party or administrative disciplinary punishments.

3. People who have received credit cards as gifts from subordinate units, enterprises, or institutions under whatever pretences, and those who have kept unit-owned credit cards for their private use before the promulgation and implementation of the "Decision," shall return the credit cards immediately. Those who use the above credit cards to clear their personal expenses shall pay back the money in full, and their cases shall be handled according to their seriousness. Those who refuse to hand over the credit cards or pay back the money shall be handled with severity.

Those who have accepted credit cards as gifts from subordinate units, enterprises, or other institutions under whatever pretences, and those who have put under their private use credit cards obtained by their units with public funds after the "Decision" has gone into effect must immediately return the credit cards in their possession, pay back expenses incurred from their private use of the cards, and be given party or administrative disciplinary punishments according to the seriousness of their cases.

4. People who use public funds to obtain any club memberships before the "Decision" has gone into effect must withdraw their memberships immediately. Those who fail to do so shall foot the full amount of expenses incurred.

Those who continue to use public funds to obtain all types of club memberships after the promulgation and implementation of the "Decision" must pay back the money and face party or administrative disciplinary actions.

5. People who participate in expensive recreational activities after the "Decision" has gone into effect shall bear all the expenses themselves, and they shall be given party or administrative disciplinary actions according to the seriousness of their cases.

Those who have violated the "Five Provisions" and broken the criminal law shall be handled by judicial organs according to law.

Third, party committees and governments at all levels shall make arrangements for the implementation of this "Opinions About Implementation," and discipline inspection commissions, supervisory organs, and propaganda departments of corresponding levels shall be tasked with the supervision and inspection of the "Opinions on Implementation."

[signed] The CPC Central Committee Discipline Inspection Commission

[signed] The CPC Central Committee Propaganda Department

[signed] The Ministry of Supervision

[dated] 8 October 1993

Commentator's Article Urges Anticorruption Fight

HK2810074093 Beijing RENMIN RIBAO in Chinese
26 Oct 93 p 1

[Commentator's article: "Special Attention Should Be Paid to Implementation and Results"]

[Text] The decision of the party Central Committee and the State Council on doing a good job in several aspects of work in the struggle against corruption requires us to focus our efforts on making party and government leading cadres take the lead in practicing cleanliness and self-control, examining and handling some major and important cases, and severely curbing malpractices which have caused strong resentment among the masses. The decision also urges us to achieve results in the near future. To draw clear demarcation lines in applying the policy and to strengthen its specific guidance over the struggle against corruption, the relevant central department has also formulated several documents on strictly prohibiting the use of public money for travel outside of the country (borders) in a disguised form, rectifying the arbitrary collection of charges, and on separating party and government organs from the economic bodies they run.

This indicates that the the party Central Committee's determination is firm and its measures are effective. The struggle against corruption will absolutely not become something like "a loud thunder but no raindrops" or "fine start, poor finish." Recent facts about curbing corruption and the emergence of many new features, particularly the orders, instructions, and effective measures of the party Central Committee, have enabled the masses to see a growing anticorruption climate, to strengthen their confidence, and to feel the prospects. Now, a task facing party committees and governments at all levels is to implement the documents and pay attention to achieving results.

To ensure the implementation of the central documents, it is first of all necessary to resolve the problem of understanding and to fully understand the major significance of the current struggle. The struggle against corruption is an important task which helps improve the building of party and political power; forms closer relations between the party, the government, and the masses; maintain social stability; and ensures the smooth implementation of reform, opening up, and economic construction. A hesitant, wait-and-see, or perfunctory attitude on this matter is a manifestation of irresponsibility to the party and the people. Some comrades are always overcautious and indecisive and are unwilling to stand in the forefront of the struggle against corruption. They fear that the struggle against corruption might affect reform and opening up and hamper the central task of economic construction. They are afraid of "suffering losses" and that the struggle against corruption might cause anxiety in cadres' minds. This is a muddled idea and is an

important ideological obstacle to the struggle against corruption. In a speech to the second plenary meeting of the Central Discipline Inspection Commission, Comrade Jiang Zemin explicitly explained the relations between economic construction, reform, and opening up. He pointed out: "It is wrong to set anticorruption against economic construction and reform and opening up or to think that anticorruption will affect economic construction, reform, and opening up; it is also wrong not to hold firm to the central task of economic construction or not to provide better service for economic construction, reform, and opening up in the course of opposing corruption."

Central documents and central leading comrades' speeches have provided explicit explanations on the significance, focal points, and principles of anticorruption. A number of other documents have also provided detailed demarcation lines in applying policies. The most important point is implementing them. If instructions and documents are not put into effect, they will be empty talk and nothing will be accomplished, no matter how good these instructions and documents are. Now, the climate of opposing corruption and propagating cleanliness is initially taking shape throughout the country. Detailed requirements and policies have been made very explicit. All levels of party organizations should resolutely act in accordance with the demands of the central documents, implement them one by one, supervise and inspect their implementation, promptly handle problems as soon as they discover them, and be firmly determined to achieve phased results, so that the masses can strengthen their confidence. When reviewing anticorruption, the masses focus their attention on how documents are implemented and whether results are achieved, instead of just seeing how many documents have been issued or how many speeches have been made by leading comrades.

The struggle against corruption is a prolonged arduous task and is also a task of immediate urgency. It needs resolute and sustained implementation but also demands phased results. The several documents promulgated by the central authorities have provided detailed stipulations on prominent problems which have caused strong repercussions among the masses. As long as all levels of leaders can be good examples for others to follow and strictly implement documents and instructions, they will win the trust of the people and carry out the struggle against corruption more profoundly.

Peasants', Workers' Democratic Party Holds Plenum

OW2710011693 Beijing XINHUA Domestic Service in Chinese 0700 GMT 22 Oct 93

[Text] Beijing, 22 Oct (XINHUA)—The Second (Enlarged) Plenary Session of the Standing Committee of the 11th Central Committee of the Chinese Peasants' and Workers' Democratic Party, which lasted four days, ended in Beijing recently.

At the meeting, party Chairman Lu Jiaxi pointed out: The present meeting will center its attention on discussing the national economy and on studying how the party can further contribute to the various tasks undertaken by our country under the new situation.

The meeting held that in waging an anticorruption struggle, the CPC Central Committee and State Council have shown great determination, adopted effective measures, and made well-conceived arrangements. The meeting's participants believed that the Communist Party can wipe out corruption through its own efforts and by relying on the support of the masses. Participating comrades were gratified to note the CPC Central Committee and State Council have achieved initial success in adopting various measures to fight corruption and to promote honesty, as well as to strengthen macro control.

The meeting called on members of the Chinese Peasants' and Workers' Democratic Party to be honest and to exercise self-discipline, do a good job in improving themselves, and make due contributions in speeding up the pace for establishing a socialist market economy; and in pushing ahead efforts to build a clean and honest government, and to score victories in our struggle against corruption under CPC leadership.

The meeting decided the Second Plenary Session of the 11th Central Committee of the Peasants' and Workers' Democratic Party be convened in the middle or later part of December 1993 in Beijing.

Study Rates Nation's Social Development Level

OW2610123293 Beijing XINHUA in English 1150
GMT 26 Oct 93

[Text] Beijing, October 26 (XINHUA)—China's social development level rose from 70th in 1987 to the 68th position in the world in 1991, according to a study by sociologists from the Chinese Academy of Social Sciences.

Headed by Associate Professor Zhu Qingfang, the group of sociologists based their study on the "World Development Report in 1993" recently published by the World Bank and the yearbook of UNESCO (United Nations Educational, Scientific and Cultural Organization).

Using 16 major economic and social development indicators covering gross domestic product, social structure, population quality and living quality, they made a comprehensive assessment of 119 countries and regions with populations topping one million.

China's score of 71 places it in the 68th position. Top on the list is Norway. The United States is eighth, Germany ninth and Japan sixteenth.

Earlier this year another survey, calculated according to "disparity of purchasing power," listed China as the third largest economic power in the world. Professor Zhu refutes those findings.

China's gross domestic product in 1991 topped 2,000 billion yuan, 10th in the world. But if divided by the vast population of China, that number would mean only a per capita domestic product of 370 U.S. dollars, dropping China to 95th in the world.

"The total gross domestic product and per capita domestic product alone cannot indicate the social development level of a nation," Zhu said. "And gross domestic product numbers are incompatible since different countries have different populations."

In addition, she said, gross domestic product is only one indicator showing how the economy grows in a nation. It cannot be the measurement of a nation's overall social development level, though it is an important factor.

So far, the social indicators assessment system has been adopted by various organizations of the United Nations and many countries in the world in assessing a nation's social development, according to Zhu.

She added, "in the study we treat the Commonwealth of Independent States as one unit for the convenience of comparison. And as Germany was reunited in 1991, China advanced only one position compared with the previous year."

Science & Technology

Official: Satellite Not To Fall Within 6 Months

OW2810035193 Tokyo KYODO in English 0332 GMT
28 Oct 93

[Text] Beijing, Oct. 28 KYODO—An official of China's Space Administration said Thursday [28 October] reports that a lost satellite will soon crash to earth are inaccurate and there is no chance of the satellite falling within the next six months.

"None of the press reports on the missing satellite correctly reported the satellite's weight, which is 2,099 metric tons, not the four tons reported in the U.S. press," the official at the Zijinshan Observatory in Nanjing said.

U.S. reports said the satellite would fall somewhere in the western Pacific Ocean, with at least two tons of debris hitting the earth with the impact of an automobile travelling at several hundred kilometers an hour.

The recoverable satellite, which was being used to conduct surveys of the earth and for microgravity experiments, was launched October 8 and was reported lost in space on October 20.

It had been due to return to earth on October 16, a Chinese press report said.

China has launched 14 previous recoverable satellites all of which have returned to earth as planned, the report said.

Reentry To 'Be Publicized'

OW2810083693 Beijing XINHUA in English 0824 GMT 28 Oct 93

[Text] Beijing, October 28 (XINHUA)—A spokesman for the China National Space Administration announced today that the retrievable module of the satellite launched early this month will not come back to earth within the next half year.

According to the spokesman, the scientific survey and technological experiment satellite launched on October 8 failed to begin re-entry on the planned recovery date of October 16 due to technical problems. Now the satellite remains in orbit.

Tracking results by related departments show that the satellite will not return to earth within half a year's time; the satellite is mainly used for scientific research, while also carrying some microgravity testing devices.

The spokesman said the satellite is not carrying any nuclear fuel or other harmful materials.

Currently, related departments are making efforts to closely track the satellite. Information about its re-entry will be publicized timely, the spokesman said.

Daily on 'Peaceful Use' of Nuclear Technology

HK2810040293 Beijing JIEFANGJUN BAO in Chinese 21 Oct 93 p 1

[By Yin Xiong (3009 7160): "China Orients Peaceful Use of Nuclear Energy to the World"]

[Text] China's peaceful use of nuclear energy is oriented to the needs of the world and has contributed to the well-being of mankind.

This reporter recently learned from a pertinent department that over the past few years, while repeatedly elevating the level of peacefully utilizing nuclear energy at home, China has carried out technological cooperation with some countries in the international market, which has promoted the peaceful use of technology in respect of nuclear energy in the world. China's mini reactors have been exported to the Third World, which has played a positive role in the importation by those countries of scientific research on nuclear technology. In December 1992, China signed a contract with Pakistan to export a 300,000-kw nuclear power station to the latter. The contract became effective on 25 February 1993, and the first tube of concrete was poured on 1 August. A short time ago, China also signed a contract with Iran to export two 300,000-kw nuclear generating sets to Iran.

With its own nuclear facilities and research bases, China has trained scientific and technological personnel for developing countries, particularly those in the Asia-Pacific region. It has also sent experts specializing in various areas to provide technological service to other developing countries. Furthermore, China has taken an active part in international conferences and relevant activities relating to the nuclear energy and nuclear technology areas and has exchanged academics with relevant countries to increase contacts and promote friendship. This is aimed at further creating a favorable condition for better international cooperation and has been extensively welcomed by developing countries.

'Roundup' on Information Industry Developments

OW2310224593 Beijing XINHUA Domestic Service in Chinese 0156 GMT 14 Oct 93

["Roundup" by reporter Sun Jie (1327 2638): "Vigorously Develop the Information Industry"]

[Text] Beijing, 14 Oct (XINHUA)—Many people have noted a new current of development in our country's information industry over the past year. At a recent annual meeting of the Information Association of China held in Beijing, the nation's information experts, after speaking about the achievements of China's information industry, pointed out: The developments of the current situation pressingly require that the information industry, which is now in a growth period, strive to scale new heights and to enter a high-growth period as soon as possible.

China's information industry began in the 1980's. Compared to other industries, the information industry is a relatively new industry. With China's reform and opening up entering another new stage since 1992, another wave of development has struck China's information industry. Experts at the Information Association of China described the new characteristics of our country's information industry this way: The main body of the information service is undergoing diversification; the number of information-related enterprises with different forms of ownerships is increasing; the information industry, which used to serve mainly government organs, now offers its services to enterprises and families; and the information industry, in addition to using such mass media as books, newspapers, television transmission, and radio broadcasts, has begun making use of such modern processes as networking and on-line services.

Despite new progress, China's information industry is far from meeting the demands of the times. Problems such as information flow bottlenecks, poor information services, and inadequate legislation in the area of information have become more serious. An underdeveloped information industry will surely affect economic development. Realizing the goal of establishing an initial and new economic structure for the socialist market economy by the end of this century and realizing the task

of building a market system and improving the macro-economy require that the information industry steps up its pace of development, particularly the information service industry. Because our country is now embarking on the long-term task of readjusting the industrial structure, the information industry can play a vital role in this. Experts have pointed out that our country's information industry debuted during the Sixth Five-Year Plan period, established itself during the Seventh Five-Year Plan period, and grew in the Eighth Five-Year Plan period. These experts called on those involved in the information industry to aim for high growth during the Ninth Five-Year Plan period and to strive to reach new heights.

Realistically speaking, China's information industry has favorable conditions and the foundation for accelerated development. Economists say the development of an industry requires the following three important factors: first, the requirements of the state, society, and economy for that industry; second, the material foundation to support the development of that industry; and, third, the political environment for the development of that industry. Because China's information industry began to acquire the aforementioned three factors for development in the 1990's, it is now presented with the best opportunity for outstanding development.

Fifteen years of reform and opening up have led to China's high economic growth. A developed economy needs a developed information industry. Since 1992, China's economic growth rate has reached 12 percent. During that period, traditional industries and high-technology industries all showed signs of thriving development. The high economic growth, the thriving development of various trades and professions, the transformation of traditional industries, and the readjustment of the industrial structure have paved the way for the growing demands concerning the information industry in China. Market building, competition mechanisms, technological transformation at large and medium enterprises, and the internationalization of the state economy have created a large demand for advanced information technology, information equipment, and for the efficient flow of information and information services.

Reform and opening up enabled various trades and professions in our country to score tremendous achievements and created the material conditions for the development of the information industry. The material foundation is an indispensable condition for China's industrial revolution to enter the information age. During the Seventh Five-Year Plan period, the state spent over 20 billion yuan on priority investment in 12 key state information service systems in the areas of the economy, science and technology, post offices and telecommunications, electricity, civil aviation, and customs, and it also set up an initial and basic framework for the nation's general information service system. In the area of the state data communications transmission network, China set up a public data network covering China's 31

provinces, municipalities, and autonomous regions. A state satellite communications system which includes five ground satellite communications stations and 35,000 ground reception stations has been set up. In the nation there are some 200 organs involved in the computer software industry, whose output value in 1991 reached 900 million yuan. A total of 800 data banks storing 50 million pieces of information has been set up across the nation. The nation's information service industry enjoys an annual growth rate of 25-30 percent, and currently its annual business volume has reached nearly 4 billion yuan.

The key to enabling the information service industry to reach new heights lies in implementing effectively the state's overall strategy for economic development, the state's overall economic plan, and the state's measures to readjust the macroeconomy. Information experts called on the state to concentrate more efforts on managing the information service industry, to formulate plans to develop the industry, and to straighten out the management structure. China's information industry circles propose setting up an initial and a comprehensive information service system with Chinese characteristics by the end of this century. They said that this system should be adapted to the socialist market economy, have a rational structure, and be highly efficient; they also seek to increase the growth rate of the information industry and to increase the value added and business volume of the information service industry to a level higher than that of other industries.

Economic & Agricultural

'Soaring Inflation' 'Has Not Sparked Panic'

HK2810071793 Beijing CHINA DAILY in English
28 Oct 93 p 4

[By staff reporter Tan Hongkai: "Inflation Has Not Sparked Panic in Cities, Says Survey"]

[Text] Consumers in Beijing, Tianjin and Shanghai are not overreacting to this year's soaring inflation, a recent survey reported.

This is in contrast to the panic buying that took place in the inflation hit year of 1988.

The State Statistics Bureau (SSB) reported a 12-percent rise in retail sales prices during the first nine months this year. And the cost-of-living index in 35 major cities was up 18.9 per cent in the same period.

Despite a slight fall in September, inflation remains high.

The survey was conducted by SSB and Horizon Market-Research & Policy-Analysis Incorporation (HMP) of Beijing. The conclusion was that there was unlikely to be a repeat of the 1988 panic buying.

Unprecedented price rises and anticipation of further renminbi devaluation ignited a buying spree in 1988 in

major Chinese cities. Panic buyers even snapped up goods left unsold for years from stores.

The sample survey covered 1,650 families in Beijing, Tianjin and Shanghai. Of 1,539 replies, most agreed that inflation was "quite serious." But none indicated they were about to panic.

Among the concerns of the surveyed, inflation ranked fifth this year behind housing reform, anti-corruption, price reforms and wage adjustments, the survey said.

From January to September, income of Chinese urban residents increased on average nationwide by 12 per cent after price rises were deducted, according to the latest SSB report.

But 75 per cent of those polled in the three-city survey disagreed, feeling that prices rose faster than their incomes.

They felt that increases in their incomes had largely been eaten up by price hikes instead of being used to raise living standards, according to HMP's analysts.

They concluded that inflation was hindering their living standards.

More than half questioned said they can afford basic items including food, clothing, rent, transportation, running water, electricity, gas, health care and their children's education expenses.

But another 30 to 40 per cent reported difficulties in maintaining a decent life under the current level of inflation. Three to four per cent, however, said prices of daily necessities were "unbearable."

There have been significant price rises in consumer goods, especially household necessities.

The August cost-of-living index in Shanghai was 25.8 per cent higher than the same period last year.

The HMP report said that 95 per cent of those questioned could still cope with the current level of inflation.

Based on this HMP analysts excluded the possibility of major social instability in the near future.

This assumption is also supported by the judgment that urban consumers have developed a tougher skin against inflation, and they have learned more about how to cope with it.

Thirteen per cent of those surveyed insisted that inflation is incompatible with the basic principles of a socialist system. But a greater number agreed that inflation is inevitable in the transition to a market economy.

Twenty-nine per cent accepted inflation as a "normal phenomenon common to all market economies." Eighty per cent believed prices will continue to rise.

Despite widespread discontent about inflation, more residents are relying on their own abilities to survive the economic problems.

Many people said having a second job was the best safeguard against inflation.

"Since more consumers are prepared to face further price hikes, the possibility of panic buying is very limited," said the HMP report.

One significant trend is the fact that savings deposits are regaining public confidence.

Zhou Zhengqing, Vice-Governor of the People's Bank of China, said bank savings of urban and rural Chinese residents increased by 107.7 billion yuan (\$18.6 billion) in the third quarter compared to the second quarter. This was a 66.6 billion yuan (\$11.5 billion) rise over the same period in 1992.

Sixty-nine per cent questioned agreed that savings deposits, as against buying valuables or investing in stocks and bonds, is "safe and reliable."

In contrast, only 17 per cent chose buying durable goods as a value-keeping approach.

Analysts attribute the recovery of savings to various factors, including people being unaware of other forms of personal investment; some fear the risks in stock markets; others have noted the rise in bank saving interest rates.

A total of 49 per cent are still haunted by the memories of 1988. One-fourth of this group said panic buying is "very likely" to emerge once again as a result of inflation.

Economist Says Situation 'Still Relatively Grim'

HK2610020993 Beijing ZHONGGUO XINWEN SHE in Chinese 1407 GMT 19 Oct 93

[By reporter Yu Xianlun (0151 7359 0243)]

[Text] Beihai, 19 Oct (ZHONGGUO XINWEN SHE)—Ma Hong, honorary director of the State Council's Economic, Technological, and Social Development Research Center and a famous economist in China, said here today that initial results had been yielded in China's macroeconomic regulation and control and its rectification of monetary order, which began in June, but that the economic situation that it is facing is still relatively grim.

Ma Hong said: Through the rectification of the monetary order, bank lending in violation of regulations has been checked, and some funds lent against regulations have been recovered. As of the 15 August deadline, over 70 billion yuan had been recovered, representing one-third of the total funds lent. The remaining portion is being reviewed, and borrowers have been asked to repay. Illegal fund-raising in society has also been initially controlled. Because deposit and lending interest rates

were increased twice in May and July, the declining tendency of residents' savings has been reversed. The volume of deposits throughout the country in June, July, and August increased by 65 billion yuan as compared with the corresponding period last year. Since July, the excessive momentum of additional currency issuance has slowed to a certain extent; the renminbi exchange rate has fallen to a reasonable level; the concentrated funds have supported some key sectors of the national economy; the fever of development zones and real estate has cooled; the growth rate of industrial production and investment has reduced somewhat; and the financial revenue and expenditure have taken a turn for the better as the situation of revenue exceeding expenditure emerged in August.

Ma Hong said frankly: The foregoing are just initial results, because the foundation for this favorable turn in the financial condition is not sound enough, and the economic situation we are now facing is still relatively grim.

Ma Hong made further analysis, saying: At present, China has exercised three levels of macroeconomic regulation and control. The first level seeks to adopt administrative control measures. Under the present abnormal economic operating conditions, the distorted actions in some localities, departments, and enterprises can be checked and rectified so that the situation can be stabilized relatively rapidly, but there are still limitations and side effects.

The second level involves using indirect economic means to regulate the economy; these include raising bank interest rates on deposits and loans, returning to the condition in which savings can preserve value, and so on, and certain results have been attained in this area. This method also has limitations under the present situation, however. To make these measures effective, it is necessary to appropriately change the functions of the organizations that carry out such measures and to transform the economic mechanisms of the departments that are subject to regulation and control.

Hence, the precondition of pushing forward the above work is to carry out reform, which is the third level of the current macroeconomic regulation and control. It is particularly important to implement the structural reforms in banking, finance, taxation, investment, and state-owned enterprises in a comprehensive and coordinated manner. The pressing matter at the moment is to take firm control of the study, formulation, and demonstration of the comprehensive and coordinated reform plans for the above work so as to relatively quickly establish the basic framework of the socialist market economy.

Ma Hong maintained: After initial results have been achieved by the macroeconomic regulation and control, we should take care to guard against the occurrence of two circumstances. We should avoid an overly strict emphasis on macroeconomic regulation and control

before high commodity prices begin to fall, lest the reduction of speed becomes too abrupt and interrupts the economic cycle. We should also ensure that the intensity of macroeconomic regulation and control does not slack off in some enterprises and localities due to funding shortages, lest commodity prices soar and the contradictions of excessive money input are sharpened further.

Ma Hong advanced the above views at the Third International Sino-Korean Seminar on Economic Knowledge that concluded in Beihai today.

Article Views Ideological Work in Enterprises

HK2710143093 Beijing RENMIN RIBAO in Chinese
13 Oct 93 pp 1, 2

[Article by the Investigation and Research Center of the General Office of the CPC Central Committee: "A Probe Into the Success in Ideological and Political Work in Enterprises—a Study of How Taiyuan Railway Subbureau Conducts Comprehensive Ideological and Political Work"]

[Text] Alongside the deepening of reform and opening up, especially during the development process of the socialist market economy, it is a common concern as well as an unresolved issue in many places whether or not we should continue to conduct, and how we should conduct correctly, ideological and political work. The comprehensive ideological and political work method created by the Taiyuan Railway Subbureau is a useful attempt in this field. What is particularly commendable is that the attempt began in 1986 when ideological and political work was "thinned out," took shape in 1988 when ideological and political work fell again into dire straits, and perfected under the new situation of promoting the socialist market economic development. What they have done can be summed up basically in the following four points: Entire-course harmony, an all-personnel contingent, comprehensive education, and all-environment encouragement. In other words, they have made ideological and political work run through the entire process of production, attracted all workers and staff to take an active part in the work, enhanced the overall quality of the contingent of workers and staff, and created a sound environment which encourages people to forge ahead. Comrade Zhu Rongji gave written instructions on this issue on three separate occasions, calling for efforts to "learn from their good experience."

What is good about this experience?

1. Reflect the distinct features of our time, and make ideological and political work run through the entire process of safe transportation of the enterprise.

Located in the center of an energy and heavy chemical industrial base in Shanxi, the Taiyuan Railway Subbureau is an important railway transportation hub in northern China. In 1992, with its passenger and freight transportation volumes standing at 12.73 million people

and 51 million tonnes, respectively, the subbureau ranked sixth among 56 railway subbureaus across the country in total transportation volumes. How do they carry out ideological and political work when faced with such a heavy transportation task?

A major measure the Taiyuan Railway Subbureau has adopted in conducting comprehensive ideological and political work is to readjust the roles of and find a correct position for ideological and political work. Ideological and political work in the new period is aimed at intensifying people's awareness of serving economic construction and encouraging them to conscientiously subordinate themselves to economic construction. Only by so doing can ideological and political work find itself an appropriate position and give expression to its own value. The subbureau has organized, in various forms, cadres and staff to conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as well as the basic line of "one center, two basic points." Through special-subject education on the criteria of productive forces and the "three beneficiaries," in particular, they have helped people resolve problems in ideology and understanding, eliminated the adverse influence of the "leftist" thinking featured by the slogan of "taking class struggle as the key link," enhanced their conscientiousness in upholding the center of economic construction, and firmly established the guiding ideology that ideological and political work should serve the needs of safe transportation. What they have done has given great impetus to stepping up safe transportation, and contributed to the fulfillment of other work tasks.

To make ideological and political work a reliable guarantee for the fulfillment of production tasks, it is imperative to act in light of the realistic situation of safe transportation, and conduct ideological and political work where it is needed. The major practical activity of railway workers and staff is safe transportation; therefore, most of their joys and sorrows as well as sentimental ups and downs are largely related to the operational process of production. If separated from safe transportation, the more we pay attention to ideological and political work, the more it will become devoid of content, and thus can do little in helping complete the fundamental task of economic construction. Under such circumstances, they have adopted many effective and powerful measures. The first measure is to regard economic indexes of safety, tasks, and efficiency not only as a basic requirement of comprehensive ideological and political work, but also as a criterion for examination and assessment. As a result, when carrying out examination and assessment concerning ideological and political work, people will stress not only the results of the work itself, but also the efficiency of safe transportation and the social efficiency of all production units. The second measure is to center ideological and political work around difficulties and problems in production and make simultaneous efforts to arrange, implement, and supervise ideological and political work and such major

duties as railway safety, work tasks, and efficiency. During the first half of this year, the subbureau received a total of nearly 50,000 fewer empty carriages, which led to a fairly great setback in the subbureau's efforts to fulfill its transportation tasks. To counter this situation, cadres at all levels, as well as party, government, youth league organizations and trade unions at all levels in the entire subbureau conducted propaganda, agitation, and ideological and political work on the forefront of production, mobilized the masses to plunge themselves into the mass campaign, and encouraged them to win the hard-fought battle. As a result, under extremely difficult conditions, the subbureau satisfactorily fulfilled its transportation tasks for the first half of the year, and its total freight and passenger transportation volumes increased by over 515,000 tonnes and 437,000 people, respectively, over the same period last year.

Efforts have been taken to strengthen education on the anticorruption struggle and to create a sound environment for reform, opening up, and economic construction. Over the past several years, they have persistently carried out three educations under a major theme of the "people's railway for the people." The three educations are opposing egoism and strengthening education of the awareness of fulfilling our goals, opposing departmental selfishness and reinforcing education on the awareness of taking the overall situation into account, and opposing money worship and augmenting the capability of resisting corrosion and guarding against evolution. All these educations are being carried out where they are needed at different levels. For leading cadres at all levels, focus has been placed on education on building a clean and diligent administration, on the awareness of being the servants of the people, and on their exemplary vanguard role; for party members, focus has been placed on education on upholding the spirit, principles, and objectives of the party; for workers and staff, focus will be put on education on correct ideal, faith, and outlooks on life and value. At the same time, they have also enforced discipline and used various rules and systems to standardize the behavior of all units as well as the vast numbers of workers and staff. Since the beginning of this year, the subbureau has resolutely implemented the spirit of the "Emergency Circular on Banning Unauthorized Price Rises and Collections of Illicit Fees," screened 221 charges in six categories, and abolished 40 illicit fees, thus winning the approval of higher authorities as well as the favorable comments from all social circles.

II. Stress mass participation, and turn ideological and political work into the conscious behavior of all the members of the enterprise.

The reason the Taiyuan Railway Subbureau can efficiently carry out comprehensive ideological and political work is that they have fully mobilized the enthusiasm of all workers and staff and stressed mass participation, thus leading to the present situation in which the whole party as well as all workers and staff are paying close attention to ideological and political work.

Establishing a correct understanding of the main body of ideological and political work is an essential ground on which the Taiyuan Railway Subbureau can successfully arouse all workers and staff to participate in ideological and political work. They believe that the masses of workers are not only the masters of the enterprise, but also the main body of ideological and political work. Without the participation and support of the vast numbers of workers and staff, ideological and political work cannot be carried through. Therefore, they abandoned the original practice in which "I talk you around" or "the higher levels talk the lower levels around," thus turning the original one-way exchange into a two-way exchange. As a result, the situation has changed from one in which party committees put on "one-man shows" to one under which all people concerned are both "audience" and "actors." Facing problems that crop up among the masses at the grass-roots level, the subbureau is looking for solutions there, and rely on the masses at the grass-roots level to put into effect various measures. The "comprehensive work method" was first put into practice by the Taiyuan Telecommunication Section on the basis of a "post ideological and political responsibility system." Attaching great value to the initiative of the masses, the subbureau party committee conscientiously summarized and refined this experience, and gradually spread the experience throughout the entire subbureau. After the "comprehensive work method" was popularized, they summed up other new experiences in a timely manner, such as the "overall sculpture project" created by the Taiyuan Railway Station to constantly enrich and perfect the comprehensive work method in practice.

Under the guidance of typical cases, they let the masses educate themselves to mobilize and attract more workers and staff to take an active part in ideological and political work. At the end of every year and after every mass campaign, the subbureau will choose through public appraisal a number of model collectives and individuals, and give wide publicity to their advanced deeds. Over the past several years, the subbureau has commended over 100 model units and individuals of various types, and drawn inspiration from and turned their advanced deeds into a powerful impetus in an effort to encourage the vast number of workers and staff to forge ahead.

In addition, the Taiyuan Railway Subbureau has also paid simultaneous attention to resolving both ideological and realistic problems. With a view to doing more solid work for workers and staff, they have brought more practical interests to them, and made them more convinced of the power of ideological and political work. Among all the workers and staff of the subbureau, 40 percent live in industrial districts and small stations remote from the main railway stations or urban areas, and the living and cultural conditions there are quite poor. To improve such a situation, the subbureau has, through building production and cultural networks, set up various cultural and daily life facilities in all small stations and industrial districts along railway lines, and

helped workers and staff there resolve difficulties in obtaining drinking water, vegetables, medical treatment, and recreation. Last year, the subbureau invested over 10 million yuan to improve the heating facility of the staff quarters of the subbureau's circuit railways [ji huan xian 2623 3883 4848], renovate the boilers at the staff quarters of the coal yard, improve conditions of four large-scale public bathhouses for workers and staff, and build residential houses for 2,310 families. All their efforts have helped ease difficulties faced by workers and staff in obtaining sufficient residential houses and bathing facilities. When the enterprise gives its love to workers and staff, the latter will repay the former 10 times over. During the campaign launched by the Yuci Railway Maintenance Section to improve the quality of equipment on the Shitai Line, the section's workers and staff offered 37,000 man-days of voluntary labor, and worked hard day and night on railway lines.

During the process of conducting the "comprehensive work method," the Taiyuan Railway Subbureau has always focused its efforts on arousing the vast numbers of workers and staff to establish awareness of being master of the enterprise, and on mobilizing their enthusiasm, initiative, and creativity. A total of 26 major production stations and sections, including the Taiyuan North Station and the North-South Mechanical Maintenance Section, have practiced the safety contract system, under which cadres and workers should share both benefits and risks, and everybody has to fulfill production quotas and shoulder responsibility for ensuring safety at the same time. As a result, democratic management has been embodied in the policy-making efforts of the enterprise, and brought into the entire process of safe production. Meanwhile, activities aimed at inspecting safety in production have also been launched in an attempt to discover and offer timely solutions to all kinds of problems which may affect safe production. Moreover, the subbureau has also carried out the mass activity of making rationalization proposals. During the first half of this year, a total of 20,189 rationalization proposals were raised, of which 7,714 were adopted and 4,246 already put into practice, bringing about an additional revenue of 6.03 million yuan.

III. Master the nature of inheritance scientifically, and successfully integrate the fine tradition of ideological and political work in the spirit of innovation.

The reason the comprehensive ideological and political work method created by the Taiyuan Railway Subbureau can display such a great power in practice lies with the subbureau's correct handling of the dialectical relations between tradition and innovation. On the basis of carrying forth the fine tradition of ideological and political work, the subbureau has made continued efforts to explore the rules of such work in the new period, and strived to strengthen and promote it through improvement and innovation. As a matter of fact, they have made fruitful attempts in both tradition and innovation.

Efforts have been made to regard and carry out education on revolutionary traditions as a basic project of ideological and political work. The Taiyuan Railway Subbureau is located in the Taihang Shan area, where the heroes of the Eighth Route Army accomplished earth-shaking exploits and gave shape to the world-famous "Taihang Spirit." Under the slogan that "I add glory to revolutionary traditions and make contribution to rejuvenating our country and people," the Taiyuan Railway Subbureau has carried out extensively among the cadres, workers, and staff education old revolutionary traditions as well as the tradition of the great railway strike of 7 February 1923, and summarized an enterprising spirit featured by "unity, solid work, innovation, and dedication." In other words, they have relied on unity to reinforce the contingent of workers and staff, on solid work to temper a good work style, on innovation to improve quality, and on dedication to arouse people's fighting spirit. As a result, they have succeeded in augmenting the unifying and fighting forces of the worker contingent. During the process of practicing the "comprehensive work method," the old revolutionary area of Shangdang under the Yushe Railway Maintenance Section has given shape, through summarization, to a "new Taihang spirit" which "relies on hard struggle, adopts a strict and pragmatic approach, and takes pride in innovation and dedication." In the past, it was always a headache to leading authorities that no one wanted to stay long along the Taijiao line. Take the case of a young worker who had repeatedly applied for a work transfer. Deeply moved by the hard life and the heroic deeds of the Eighth Route Army during his visit to the Huangyadong Munitions Factory in Licheng, he asked the management as soon as he returned to his unit to return to him the 14 applications he had filed for a work transfer. Tearing all the applications into pieces, he voiced his resolve to work on the Taijiao line for the rest of his life. In recent years, 67 workers and staff have withdrawn their applications for work transfers in the Yushe Railway Maintenance Section alone.

Strides have been taken to closely integrate education on traditional virtues with education on vocational ethics. The party committee of the Taiyuan Railway Subbureau believes that fine traditions include not only revolutionary traditions but also the fine cultural traditions of the Chinese nation. Therefore, they have vigorously advocated the traditional virtues of the Chinese nation, such as wholehearted devotion to public duty, putting others before oneself, and being honest and generous, and brought all these traditional virtues into the building of vocational ethics. They have worked out criteria for vocational ethics respectively for the subbureau's workers and staff, leading and administrative cadres, 14 departments including passenger and freight transportation departments, as well as personnel working on over 90 work posts. For example, the criteria for vocational ethics for duty workers and staff in the passenger transportation department reads: "Place passengers in a supreme position, treat people politely, conscientiously

implement rules and regulations, and welcome criticism and supervision of the society."

The Taiyuan Railway Subbureau's bold exploration and hard efforts to open up new paths have injected great vitality into its ideological and political work from the very beginning. They believe that this work is a process of constant exploration and innovation, and only in this way can such work be reinforced in real terms on the basis of inheritance. Yet to carry out innovation effectively, we must keep a sober mind to analyze new situations and new problems currently facing the ideological and political work of the enterprise. They deem it necessary to give sufficient attention to the following new problems which occurred during the process of reform, opening up, and market development. The first new problem is that as a monopoly enterprise, the railway faces greater difficulties and is moving at a slower pace than other industries and trades in adapting itself to the needs of the market and in changing its operational mechanism. The collision of the planned and market economies is more obvious in the railway department, which has led to an psychological imbalance and ideological shock among railway workers and staff. The second problem is that since the railway transportation industry not only has an economic nature but public utility nature also, the strong contrast between the demands of being a public utility and the demands of the market economy has had an impact on the ideological concepts, outlook on value, behavior patterns, and human relations of workers and staff. The third problem is that because the railway extends in all directions and railway workers have access to all kinds of incoming information from other parts of the country, various ideological problems and contradictions have become more prominent among these workers and staff. To counter new problems occurring under the new situation, the subbureau has taken active steps to adapt itself to the needs of deepening reform and the changing operational mechanism of the enterprise and to make constant readjustments to the contents, modes, and methods of ideological and educational education. To sum up, they have mainly accomplished "10 reinforcements and 10 reductions." In another word, they have reinforced education on the economic and market situation and reduced political situation education of a general nature; reinforced the means of modernization and reduced manual operations; reinforced assistance and coordination of a guiding nature and reduced mandatory arrangements and demands; reinforced the quality and effect of activities and reduced their quantity; reinforced the work of grass-roots units, especially groups and squads in the forefront of production, and reduced activities at higher levels; reinforced decentralized activities and reduced centralized ones; reinforced educations with a particular focus and aim, and reduced education of a general nature; reinforced two-way exchanges and reduced one-way inculcation; reinforced education at different levels, and reduced unitary educational patterns; and reinforced activities held on a constant basis and reduced shock activities.

It is imperative to pay attention to and master the new characteristics of ideological and political work in the new period, and strive to explore new methods. The Taiyuan Railway Subbureau has brought into practice three carriers of management, activities, and culture in this work. First, they have brought the management process centered around humans into the comprehensive ideological and political work; turned the process of management into one of arousing the enthusiasm of workers and staff; closely integrated ideological and political work with production command, operational management, and technical development, and carried out both kinds of work synchronously. Through scientific and effective management, they have made ideological and political work run through management, thus bringing about an integration between the two. Second, they have brought all kinds of activities into the comprehensive ideological and political work. They have striven to do a good job in ideological work of leading cadres and party members through various activities, such as the one of "achieving four goods" for leading bodies, of "grasping, reaching, and creating" ["zhua, da, chuang 2119, 6671, 0482"] for the building of party branches, as well as the activities of establishing "party member responsibility zones" and "being qualified party members and playing an exemplary vanguard role." Third, they have brought the cultural building of the enterprise into the work. Through successfully running television programs and publications, and sponsoring various rich and colorful cultural, sports, and recreational activities, including youth art festivals, family concerts, and singing contests, they have organically integrated cultural and recreational activities with political education, technical studies, democratic management, and safe production; and successfully made the two kinds of work coordinate, complement, and infiltrate each other.

IV. Pay attention to practical serviceability, and fulfill all tasks of ideological and political work in real terms.

Another reason the Taiyuan Railway Subbureau can persistently carry out and can constantly enrich and perfect their comprehensive ideological and political work for several consecutive years is also because that they have completely put an end to a number of malpractices, such as randomness and lack of serviceability; and brought this work into a systematic and standardized orbit.

Efforts have been made to regard and grasp the system building of ideological and political work as a major task. On the basis of summarizing the practical experience of the masses and the proof provided by experts, the Taiyuan Railway Subbureau has worked out and promulgated a number of systems, including the "Regulations Governing Comprehensive Ideological and Political Work," the "Responsibility System of the Comprehensive Ideological and Political Work," and the "Appraisal and Evaluation Methods Concerning Comprehensive Ideological and Political Work," making concrete stipulations for the guiding ideology, major tasks, main content, basic principle, essential systems, as well

as work duties, evaluation of effects, examination, and awards and punishment in conducting the comprehensive work method. As a result, they have established and perfected the following management system and operational mechanism of ideological and political work, which is featured by an "comprehensive work method": The first is a management system, under which party committees, government departments, trade unions, and Youth League organizations can impose common management and take separate responsibilities in accordance with their respective functions under the leadership of party organizations at all levels; the second is a responsibility system based on the responsibility for ideological and political work shouldered by cadres at different levels and of different categories, four chiefs (leaders of party groups, trade union groups, and Youth League groups, as well as head of small productive units), personnel in charge of different key production posts. Under this system, workers and staff of the entire subbureau will shoulder responsibility for their own work posts, and an all-personnel participation in ideological and political work is thus demanded; and the third is an examination and appraisal system, which is composed of relevant laterally linked systems on examination, evaluation, and appraisal. In addition, all units have set up party committee central study groups; established joint conferences of party, government, trade union, and Youth League organizations; organized people to analyze the current state of mind of workers and staff; had reports written on the realistic situation by full-time and part-time staff; carried out regular checks on accounts; and implemented the systems of selection through public appraisal, exchanges, and commendation. As a result, the comprehensive ideological and political work method is gradually becoming an orderly functioning and effective management behavior which suits the needs of the aforementioned systems.

A clear awareness of objectives and a good sense of responsibility are a guarantee for an efficient implementation of different systems concerning ideological and political work. From party secretaries of the subbureau, stations, and sections, as well as secretaries of workshop party branches to heads of party groups, and from chiefs of the subbureau, stations, sections, and departments to workshop directors and work group heads, every party, trade union, and Youth League cadre is required to carry out his respective duty in ideological and political work and try to attain his respective goal in line with explicit stipulations. What is more important is that they never remain content with what is said in regulations, on paper, or on posters; instead, they should try their best to remind every cadre to always keep in mind and translate into action the ideological and political work. To augment awareness of administrative cadres to do a good job in ideological and political work, the subbureau has also arranged work post exchanges for cadres, transferring administrative cadres to political work departments and political work cadres to administrative sections. By so doing, the two types of cadres can understand the

importance, joys, and difficulties of each other's work; harmonize their mutual relations; and promote mutual understanding and support.

The Taiyuan Railway Subbureau attaches great importance to new practices conducted by grass-roots units and the masses. They have encouraged all grass-roots units to proceed from reality and implement the comprehensive work method in a creative way to bring about a change to the overall situation of ideological and political work, which is based on implementation and deepening, innovation and perfection, and featured by different characteristics.

Activities launched by various units so far have served to enrich and perfect the comprehensive ideological and political work method, including the activity of "synchronous management of two civilizations" carried out by the Yuci Electrical Maintenance Section, which is well-known for its quantification, examination, and assessment; the activity of "all-personnel contest of meritorious services" launched by the Taipei Mechanical Maintenance Section, which successfully unifies encouragement with restrictions; the "project of overall sculpture" initiated by the Taiyuan Railway Station, which is mainly commended for its fine-quality service; and the "all-personnel education on virtues and morals" conducted by the Taiyuan Mechanical Maintenance Section. Over the past six years since the work method was first introduced, 44 civilized units have emerged at the ministerial, departmental, provincial, and city levels, and 53 such units at the subbureau level; a total of 3,310 people have been conferred the title of models and advanced production (administrative) workers at the national, railway departmental, provincial, ministerial, bureau, and subbureau levels; and the subbureau has been commended for six consecutive years as a provincial-level advanced enterprise as well as an outstanding enterprise in ideological and political work. From the very beginning, the comprehensive ideological and political work has been reaffirmed and attached with great importance by the Shanxi Provincial CPC Committee, and gained concern and support from the Ministry of Railways and the Beijing Railway Administration. Under the conditions of reform, opening up, and socialist market economic development, this work method has displayed great vitality, and will surely produce increasingly greater influence both within and outside railway departments throughout the country.

Commentary on Ideological Work

HK2710143793 Beijing RENMIN RIBAO in Chinese
13 Oct 93 p 1

["Short Commentary": "What Is Important Is Persistence and Implementation in Real Terms"]

[Text] The investigation report written by the Investigation and Research Center of the CPC Central Committee General Office, which is published by this newspaper today, is well worth reading.

Our country is currently experiencing a thorough reform in which the planned economic system is being turned into the socialist market economic system. To adapt ourselves and give impetus to this great historic reform, the party Central Committee has repeatedly stressed the need to vigorously strengthen ideological and political work and attach equal importance to the building of two civilizations. However, we also should notice the present situation in which some localities have fallen far short of the expectations of the party Central Committee, the phenomena of weakened ideological and political work are quite serious, and the problem of attaching unequal importance to two civilizations still remains unsettled. To counter all these problems, all localities should give sufficient attention, conscientiously analyze causes, adopt effective countermeasures, and bring a favorable turn to the present negative situation. It is precisely in this aspect that the Taiyuan Railway Subbureau has provided us with useful inspiration.

There are two prominent points in the experience of the Taiyuan Railway Subbureau: The first is persistence. No matter what changes are occurring in the "general climate" of ideological and political work, the subbureau has persistently upheld the principle of "attaching equal importance," and never wavered or relaxed its efforts in carrying out ideological and political work. The second is its efforts to fulfill work in real terms. When reinforcing and improving ideological and political work, it has never paid lip service but proceeded from reality and observed concrete stipulations in terms of work principle, content, methods, and requirements and criteria of examination and assessment. Such a practice, which can be put into effect easily and is also convenient for inspections, can turn ideological and political work from a process devoid of content to one which is realistic and result-yielding. This practice has told us: If we can accomplish the two points in real terms as the Taiyuan Railway Subbureau has done, ideological and political work can be reinforced gradually.

How to do a good job of ideological and political work under the new situation is a big and difficult subject. We hope that all localities can continue their exploration, have the courage to open up new paths, conscientiously sum up what they have attained, and provide us with more successful experiences.

Steps Bring Real Estate Market 'Under Control'

OW2710145593 Beijing XINHUA in English 1427
GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—The macroeconomic control measures taken by the Chinese Government this year have succeeded in bringing the overheated real estate industry under control and is pointing the sector towards a sound and healthy development.

According to Song Chunhua, an official with the State Ministry of Construction, the investment structure in this sector has been more rationally adjusted and profiteering has been effectively checked.

He said that the third quarter of this year saw a sharp drop in the growth rate of investment, new construction areas and the sales volume of commercial housing.

Various localities have been stepping up readjustment efforts in light of the state's control. Shanghai cut land sales from 20 square kilometers in 1992 to a mere 3 square kilometers of land this year. Shenzhen sold only 32 hectares of land this year, as against the planned 45 hectares.

The official added that many real estate projects have been halted nationwide. Shenyang canceled or postponed construction of 39 projects this year. In Zhengzhou, central China, 23 real estate companies were disbanded in the month of July alone.

Besides, many property companies vanished or stopped operations in one-time "hot areas" such as Hainan Province, Beihai City in south China's Guangxi Zhuang Autonomous Region and the Zhujiang River Delta.

According to the official, the focus of real estate construction projects has been shifted from luxury hotels, villas, horse race tracks and golf courses to more housing.

To ensure the construction of moderately-priced housing, the Shenzhen City Government decided that at least 40 percent of the city's total floor space will be allocated to the building of residential housing every year.

Guangzhou has allocated over 100 hectares of land for the construction of residential housing to total 600,000 square meters in floor space.

Song noted that China's real estate industry still enjoys broad prospects, for about 200 million square meters of residential housing is to be built every year before 2000.

At present, the real estate industry generates only 3 percent of the state's GNP. It lags far behind developed countries where the turnover of the real estate industry accounts for 25-30 percent of the GNP.

To boost the real estate industry in China, the official stressed that the key is to work out a series of policies and rules governing housing pricing, taxation, credit and market trading to ensure the steady and healthy development of the sector.

List of Revoked MOFTEC Management Documents

HK2810062293 Beijing GUOJI SHANGBAO in Chinese 9 Oct 93 p 2

["Ministry of Foreign Trade and Economic Cooperation Announcement No 3: Contents of the Third Batch of Revoked Internal Management Documents"]

[Text] Ministry of Foreign Trade and Economic Cooperation [MOFTEC] Announcement 1993 No. 3

To further implement the reform and opening up policy and increase the transparency of foreign economic and trade policies, regulations, and systems, it is decided that the third batch of the ministry internal management documents, 215 in all, will be revoked as of the day of this announcement.

MOFTEC
17 September 1993

Contents of the Third Batch of Revoked MOFTEC Internal Management Documents

1. Notice on "Properly Handling Export Trademarks" (1988) (MOFTEC, Trademark Administration, No. 198)

2. Notice on "Strengthening the Management of Paraffin Wax" (1989) (MOFTEC, Export Administration, No. 232)

3. Notice on "Certain National Regulations on Wulong Tea Exports in 1990" (1989) (MOFTEC Importing and Exporting Department, Export, No. 1453)

4. Notice on "Coordinated Program for the Procurement and Export of Cassia Barks and Cassia Oil" (1990) (MOFTEC Importing and Exporting Department, Export, No. 180)

5. Notice on "1990 Methods for the Coordinated Management of National Feather Exports" (1990) (MOFTEC Importing and Exporting Department, Export, No. 285)

6. Notice on "Strengthening the Management of Peanut Product Exports" (1990) (MOFTEC Importing and Exporting Department, Export, No. 629)

7. Notice on "Continuing To Implement the Management Methods for Salt Exports to Hong Kong" (1990) (MOFTEC Importing and Exporting Department, Export, No. 646)

8. Notice on "Certain Regulations on the Management of Cement Exports" (1991) (MOFTEC Importing and Exporting Department, Development, No. 210)

9. Notice on "Strengthening the Management of Cement Exports" (1990) (MOFTEC, Export Administration, No. 94)

10. Notice on "Methods for the Management of Tin Exports" (1992) (MOFTEC Importing and Exporting Department, Development, No. 160)

11. Notice relaying the Chamber of Commerce for Importers and Exporters of Metals, Minerals and Chemicals' "Excerpts of the Minutes of a Consensus-Reaching Meeting on Ferro-silicon Work" (1992) (MOFTEC Importing and Exporting Department, Export, No. 907)

12. MOFTEC circular on "Methods for Managing Permits for Steel Product Exports to the United States and the Use of Quotas" (1989) (MOFTEC, Export Administration, No. 187)

13. Request for advice on several queries related to actively launching (levied) contracted projects (79) (MOFTEC, Request Four, No. 053)
14. Request for advice on a few specific administrative questions related to levies on contracted projects (80) (MOFTEC, Request Four, No. 757)
15. Notice on accounts accepting foreign exchange remittances (80) (MOFTEC, Five, No. 757)
16. Answers to questions about the daily expenditure for China Overseas Construction Company workers in Hong Kong (80) (MOFTEC, Five, No. 745)
17. Third request for instructions on levies on overseas contracted projects (81) (MOFTEC Request Four, No. 033)
18. Matters that require attention in launching contracted projects in Iraq and offering labor services there (81) (MOFTEC, Four, No. 721)
19. Concerning the distribution of \$20 million of circulating funds (81) (MOFTEC, Four, No. 971)
20. Notice on how MOFTEC overseas personnel spend their foreign exchange income (81) (MOFTEC, Four, No. 1050)
21. Notice on issuing the "Statistical procedures for foreign contracted projects and labor service cooperation" (82) (MOFTEC, Foreign Trade Statistics, No. 748)
22. Notice on issuing the "Tentative Methods Governing Foreign Contracted Projects and Labor Service Cooperation Plans" (83) (MOFTEC, Statistics on Cooperation Projects, No. 41)
23. Letter on tentative methods for managing catering funds for overseas contracted project workers (84, MOFTEC, Cooperation, No. 1)
24. Notice on several interim rules on foreign contracts, labor service cooperation, and labor system (84) (MOFTEC, Cooperation, No. 37)
25. Notice on living allowances for workers for overseas joint ventures and contracted labor services working in deserts and epidemic, hardship, and tropical areas (84) (MOFTEC, Cooperation, No. 77)
26. Notice on interim methods concerning uniform money for personnel in overseas contracted labor services. (84) (MOFTEC, Cooperation, No. 04)
27. Supplement to the circular on interim methods concerning money for uniforms for personnel in overseas contracted labor services (84) (MOFTEC, Cooperation, No. 111)
28. Notice on problems connected with giving quotes for foreign-exchange commodities in U.S. dollars (84) (MOFTEC, Cooperation, No. 117)
29. Notice on the right of contracted labor service personnel working in deserts and epidemic, hardship, and tropical areas to enjoy living allowances (84) (MOFTEC, Cooperation No. 136)
30. Notice on issuing the "Methods Concerning Overseas Contracted Projects and Labor Service Cooperation Plans" (85) (MOFTEC, Planning and Cooperation, No. 477)
31. Opinions on further expanding contract markets in Pakistan, Bangladesh, and Sri Lanka (85) (MOFTEC, Cooperation, No. 127)
32. Notice on interim measures for overseas allowances for personnel in overseas contracted projects and labor service cooperation (85) (MOFTEC, Cooperation, No. 140)
33. A return letter reporting on the restructuring of an Egypt-based MOFTEC firm (86) (MOFTEC, Cooperation, No. 169)
34. Letter relaying the article "Too Many MOFTEC Contract Companies in Thailand" (86) (MOFTEC, Cooperation, No. 195)
35. On relaying a letter "Opinion on the Terms of Managers and Section Heads in Contracted Labor Service Projects and Suggestions About Reforms by the Economic Attache of the PRC Consulate in Iraq" (87) (MOFTEC, Cooperation, One, No. 71)
36. Notice on strengthening information feedback (87) (MOFTEC, Cooperation, No. 116)
37. Notice on relaying MOFTEC's "Request for Instructions on Essential Funds for Launching Overseas Contracted Projects and Labor Service Cooperation" and a return letter from the State Planning Commission (87) (MOFTEC, Cooperation, No. 71)
38. Notice reiterating a strengthening in discipline education for overseas contracted labor service personnel (88) (MOFTEC, Cooperation, Two, No. 120)
39. Circular on problems of foreign-exchange billings (88) (MOFTEC, Cooperation and Auditing, No. 121)
40. Letter on the specific methods for screening and rectifying overseas contracted labor service companies (89) (MOFTEC, Cooperation, No. 48)
41. Notice on suitably adjusting our country's contracted labor service policy toward South Africa (89) (MOFTEC, Cooperation, No. 130)
42. On taxing foreign-produced machines imported by domestic companies (80) (MOFTEC, Foreign Economy, Four, No. 339)
43. Notice on several interim rules on the labor system of overseas contracts and labor service cooperation (84) (MOFTEC, Cooperation, No. 37)

44. Notice on a few problems concerning contracted projects and labor services launched by our companies in Guam and Saipan (87) (MOFTEC, Cooperation, No. 5)
45. Opinion on levying on project transfers (87) (MOFTEC, Cooperation, No. 78)
46. Notice advising foreign and industrial trading firms against directly undertaking overseas contracted projects without a license (88) (MOFTEC, Cooperation, No. 14)
47. Some opinions on doing a good job in sending workers to Florida Disneyworld (88) (MOFTEC, Cooperation, No. 55)
48. Notice on problems with Sino-Lesotho mutually beneficial cooperation after the cessation of diplomatic ties (90) (MOFTEC, Cooperation, No. 73)
49. Notice on issuing the "Agreement Between the PRC and USSR Governments on the Principles on Dispatching and Accepting Chinese Citizens To Work in Soviet Joint Venture Enterprises and Organizations" (90) (MOFTEC, Cooperation, No. 173)
50. Letter informing all port customs authorities to permit the entry of automobiles pulled out from Kuwait (90) (MOFTEC, Cooperation, No. 175)
51. Notice strictly forbidding Chinese labor service personnel in the Soviet Union from speculative activities (90) (MOFTEC, Cooperation, No. 177)
52. Notice on launching mutually beneficial economic cooperation in the Soviet Union after roubles' exchange rate adjustments (90) (MOFTEC, Cooperation, No. 211)
53. On laws governing the review and approval of projects of mutually beneficial economic cooperation launched by border area authorities with neighboring countries and regions (91) (MOFTEC, Cooperation and Development, No. 292)
54. Interim regulations on screening, selecting, and training personnel to be involved in economic and technological cooperation with the Soviet Union, Eastern Europe, the DPRK, Mongolia, and other countries (91) (MOFTEC, Cooperation and Development, No. 343)
55. Notice on problems with pursuing economic cooperation with South Korea (91) (MOFTEC, Cooperation and Development, No. 786)
56. Notice on strengthening the effort to institute management mechanisms in the MOFTEC business division (87) (MOFTEC, Personnel and Labor, No. 240)
57. Notice on strictly carrying out the filing and approval procedures in connection with Taiwan trade (88) (MOFTEC, Taiwan, No. 525)
58. Notice on problems concerning Taiwan developing trade with the Soviet Union (1991) (MOFTEC, Taiwan's Development, No. 322)
59. Notice on problems concerning the determination of qualification of the makers of complete machinery and electronic equipment sets and single pieces of machinery and electronic equipment to compete in overseas biddings (1991) (MOFTEC, Technological Exports, Five, No. 32)
60. Temporary methods for encouraging technological exports (87) (MOFTEC, Technological Exports, No. 90)
61. Notice on problems concerning "Patent Foundation" (86) (MOFTEC, Technology, No. 62)
62. Notice on the involvement of U.S.-imported technology and equipment in developing economic and technological cooperation with the Soviet Union and East European countries (88) (MOFTEC, Technology, Four, No. 37)
63. Notice on problems concerning computer exports (88) (MOFTEC, Technology, Four, No. 74)
64. Regulations on the export of products containing U.S.-made parts or assembly equipment (87) (MOFTEC, Technology, Four, No. 120)
65. Supplementary notice on temporarily calling off the review and approval of setting up overseas trade offices (90) (MOFTEC, General Exporting and Importing, No. 662)
66. Notice on printing and issuing the "Methods Governing the Review and Approval of Setting Up Overseas Trade Offices" (88) (MOFTEC, Importing and Exporting, One, No. 681)
67. Notice on temporarily calling off the review and approval of setting up overseas trade offices (89) (MOFTEC, General Importing and Exporting, No. 1266)
68. Interim regulations on problems concerning the adoption of an internal trade and foreign-exchange accounts settlement price (81) (Trade and Finance, No. 98)
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72. Reply to the question about the benefit of reducing or waiving tariffs on industrial materials imported for processing trade (83) (MOFTEC, Finance and Trade, No. 244)

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74. Notice on putting foreign trade-incurred losses under strict controls (83) (MOFTEC, Finance and Trade, No. 350)
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76. Supplements to notice on printing and issuing the "Methods for Arriving at a National Unified Cost Amount for Different Commodities and Reviewing the Methods for Setting the Limits of Awards" (84) (MOFTEC, Finance and Trade, No. 931)
77. MOFTEC and Ministry of Finance "Supplement to the Notice on Foreign-Trade Firms Expanding Exports With Funds Earmarked for Boosting Exports To Reduce Losses and Increase Revenue" (84) (MOFTEC, Finance and Trade, No. 325)
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79. MOFTEC notice on controlling export costs and building a monthly financial analysis report system (86) (MOFTEC, Finance and Trade, No. 192)
80. MOFTEC emergency notice on pursuing the export contracted responsibility system and working hard to increase foreign-exchange earnings with more exports and strictly controlling the 1987 export deficit (87) (MOFTEC, Finance and Trade, No. 65)
81. MOFTEC and Ministry of Finance notice on relaying the "Interim Measures for Foreign and Industrial Trade and Export Firms in Pursuing the Contracted Management and Responsibility System" (87) (MOFTEC, Finance and Trade, No. 534)
82. MOFTEC General Office notice on compiling and reporting the 1988 "Export Table 5" (88) (MOFTEC, Finance and Trade, No. 563)
83. Emergency notice reiterating the necessity of getting renminbi capital in place when ordering imported goods (89) (MOFTEC, Finance and Trade, No. 385)
84. MOFTEC notice on further tapping the internal potential and strengthening the management of circulating capital (89) (MOFTEC, Finance and Trade, No. 55)
85. MOFTEC notice on problems with foreign trade and finance in tasks under separately listed plans (89) (MOFTEC, Finance and Trade, No. 437)
86. Emergency notice reiterating having sufficient amounts of renminbi capital for import orders and exerting strict controls over central subsidies for imports bought with foreign exchange (89) (MOFTEC, Finance and Trade, No. 644)
87. MOFTEC notice on the analysis of foreign trade and financial work in 1989 (90) (MOFTEC, Finance and Trade, No. 68)
88. MOFTEC financial and accounting department notice on problems concerning compiling and reporting a table of accounting and financial indicator on a monthly basis (90), MOFTEC, Finance and Trade, No. 130)
89. MOFTEC notice on settling accounts of barter trade with the Soviet Union in importing its diesel engines (90) (MOFTEC, Finance and Trade, No. 258)
90. MOFTEC General Office notice on relaying the "State Council General Office Notice Relaying Circulars From the MOFTEC and Other Departments on Solving Problems in Foreign Trade and Exporting Such as Excessive Losses and Trade Being Conducted on Credit" (90) (MOFTEC, Finance and Trade, No. 410)
91. MOFTEC notice on compiling the 1991 planned profit and loss accounts of foreign-trade firms (91) (MOFTEC, Finance and Trade, No. 72)
92. MOFTEC notice on opening "special renminbi accounts handling rewards for returning to the central authorities balances of the fixed foreign exchange subsidies by the central authorities" (91) (MOFTEC, Finance and Trade, No. 72)
93. MOFTEC notice on printing and issuing the "Interim Measures for Cashing and Managing Rewards by the Central Authorities for Returning Balances of Fixed Foreign Exchange Subsidies by the Central Authorities" (91) (MOFTEC, Finance and Development, No. 51)
94. MOFTEC and the Bank of China notice on administrative matters on special renminbi accounts handling rewards for returning fixed foreign exchange subsidies by the central authorities (92) (MOFTEC, Finance and Development, No. 110)
95. MOFTEC notice on tightening certain regulations on the planned management of listed on foreign-trade plans (91) (MOFTEC, Planning and Development, No. 111)
96. Notice on regulations specifying that the accounts of some commodities which are "being exported to pay for other imports" be settled in foreign currencies (86) (MOFTEC, Planning and Foreign Exchange, No. 669)
97. Notice on printing and issuing the "Supplements to the explanation of the administration of exports and foreign exchange earnings" (88) (MOFTEC, Planning and Foreign Exchange, No. 822)

98. Notice on methods for auditing and allocating central foreign exchange funds made contributed by remittances from 15 export commodities (88) (MOFTEC, Planning and Foreign Exchange, No. 1648)
99. Notice on regulations specifying that the accounts of some commodities which are "being exported to pay for other imports" be settled in foreign currencies (90) (MOFTEC, Planning and Foreign Exchange, No. 2104)
100. Notice relaying the "foreign trade statistical system (88) (MOFTEC, Planning and Statistics, No. 1945)
101. Notice relaying the "Supplementary Rules for a Foreign Trade Statistical System" (90) (MOFTEC, Planning and Statistics, No. 1601)
102. Notice on problems concerning expenditure for improving the packages of import and export commodities (80) (Trade and Finance, No. 20)
103. On apportioning fees for trade fair participation (80) (Trade and Finance, No. 63)
104. Notice on problems concerning retained earnings from acting as sales agents for foreign products (80) (Trade and Finance, No. 14)
105. Regulations on paying import duties and the keeping of such accounts (80) (Trade and Finance, No. 68)
106. Notice on printing and issuing the "Interim Regulations on the Financial Arrangements for and the Problems Concerning the Development of Processing and Assembly Industry and Medium and Small Compensatory Trade in the Foreign Trade Sector" (80) (Trade and Finance, No. 65)
107. Notice on the "Interim Regulations on the Financial Arrangement of Apportioning Fees Among Foreign Trade Personnel" (80) (Trade and Finance, No. 106)
108. Notice on printing and issuing the "Interim Methods Governing the Financial, Accounting, and Auditing Practices by Foreign Commodity Sales Agents" (80) (Trade and Finance, No. 172)
109. Notice of a trial run of interim financial administration methods (80) (Trade and Finance, No. 225)
110. On problems with foreign-exchange auditing practices in localities (81) (Trade and Finance, No. 20)
111. Methods for the administration and withdrawal of the corporate funds for foreign-trade firms (81) (Trade and Finance, No. 307)
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113. Notice of the "Methods for the Financial Administration" of foreign-trade firms (81) (Trade and Finance, No. 307)
114. Notice on a unified accounting practice for transactions common to all foreign-trade firms (81) (Trade and Finance, No. 307)
115. Notice on problems concerning the financial arrangements and auditing practices for the crude oil and oil product industry (82) (Trade and Finance, No. 32)
116. Accounting regulations for recalling loans and importing (82) (Trade and Finance, No. 69)
117. Accounting regulations for the import duties on certain commodities (82) (MOFTEC, Finance, No. 104)
118. Notice on the demand that foreign-trade firms should count profits obtained through price differentials from goods supplied to Guangzhou Foreign Trade Center as part of their normal businesses subject equally to audit (82) (MOFTEC, Finance, No. 139)
119. Supplementary financial regulations for foreign-trade firms with regard to counting fines as expenditure (82) (Trade and Finance, No. 246)
120. Notice on the domestic sale, profit allocations and transfers, and retained earnings for localities of tea and livestock whose foreign trade is under unified operations (82) (MOFTEC, Finance, No. 315)
121. Notice on methods for allowing prefectural- and county- level foreign-trade firms to retain all of their earnings on a trial basis (83) (MOFTEC, Finance, No. 343)
122. Notice relaying the interim measures governing the financial administration and the scope of expenditure for overseas enterprises (82) (MOFTEC, Finance, No. 356)
123. Notice on supplementary regulations on a unified accounting system for businesses common to all foreign-trade firms (83) (MOFTEC, Finance, No. 72)
124. 1983 Supplementary Regulations on a Unified Accounting System for Businesses Common to All Foreign-Trade Firms (Part One) (83) (MOFTEC, Finance, No. 76)
125. 1983 Supplementary Regulations on a Unified Accounting System for Transactions Common to All Foreign-Trade Firms (Part Two) (83) (MOFTEC, Finance, No. 184)
126. Interim measures for uniform allowances for the foreign guest service personnel of firms affiliated with our ministry (83) (MOFTEC, Finance, No. 243)
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128. Regulations on the bookkeeping rules in the case of full profit retainment (83) (MOFTEC, Finance, No. 454)

129. Regulations on the bookkeeping rules for businesses that are supporting their exports with imported capital goods (830) (MOFTEC, Finance, No. 532)

130. Notice on corrections to some of the bookkeeping rules for businesses that are supporting their exports with imported capital goods (83) (MOFTEC, Finance, 579)

131. Regulations on the accounting system after building taxes for foreign trade firms (84) (MOFTEC, Finance, No. 33)

132. Regulations on the accounting system after the practice of "supporting imports with exports" is scrapped (84) (MOFTEC, Finance, No. 64)

133. Regulations on the accounting system for increased textile exports not listed in plans (84) (MOFTEC, Finance, No. 158)

134. Notice on the gradual implementation of an inspection-payment method for procuring exported commodities under planned allocations and transfers (84) (MOFTEC, Finance, No. 235)

135. Notice on pursuing a central export-boosting fiscal policy in ways that conform to unified state provisions (86) (MOFTEC, Finance, No. 80)

136. Notice on claiming for the general production awards (84) (MOFTEC, Finance, No. 381)

137. Notice rejecting the temporary one-grade wage increment in border areas as the basis for calculating the clothing and daily expenditure for overseas working personnel (84) (MOFTEC, Finance, No. 363)

138. Notice on a number of additional allowances for personnel working in epidemic and hardship countries or regions (84) (MOFTEC, Finance, No. 458)

139. Notice on the regulations for financial arrangements and paying taxes on rewards in foreign-trade firms (84) (MOFTEC, Finance, No. 511)

140. Notice on printing and issuing the "Regulations on Uniform Expenses for Foreign Aid Personnel" (84) (MOFTEC, Finance, No. 515)

141. Notice forbidding enterprises from claiming for workers' welfare funds, union administrative fees, and education funds when paying for workers' pay raises from their own capital reserves (84) (MOFTEC, Finance, No. 526)

142. Notice on the accounting rules for urban maintenance and construction taxes paid by foreign-trade firms (85) (MOFTEC, Finance, No. 184)

143. Notice on the regulations on the accounting methods for "foodstuff subsidies" (85) (MOFTEC, Finance, No. 219)

144. Notice on problems related to methods of the calculation of the proportions of circulating funds with

the separation of loans and deposits into two accounts (Part five of the supplementary accounting rules) (85) (MOFTEC, Finance, No. 304)

145. Notice on adjusting charges for allocations and transfers by foreign-trade firms at the prefectural and county levels (85) (MOFTEC, Finance, No. 324)

146. Notice on a number of additional benefits and subsidies to personnel working in areas of adverse conditions (85) (MOFTEC, Finance, No. 400)

147. Notice on remitting depreciations for the "three kinds of cold storage system" in the grain and edible oil supply sector (85) (MOFTEC, Finance, No. 410)

148. Notice requiring nonprofit making institutions to ensure sources of funds before they are established (85) (MOFTEC, Finance, No. 412)

149. Notice on the accounting procedure for rentals incurred by foreign-trade firms (85) (MOFTEC, Finance, No. 443)

150. Notice on instituting a budgetary and fund approval procedure for administrative and nonprofit making units in trade and economic sectors (85) (MOFTEC, Finance, No. 474)

151. Notice on the financial arrangements for port construction payments (850) (MOFTEC, Finance, No. 525)

152. Notice on problems related to the pursuit of preferential policies toward foreign-trade firms in ethnic areas (85) (MOFTEC, Finance, No. 611)

153. Notice on problems related to calculating and claiming welfare money under the pursuit of a foreign wage system (85) (MOFTEC, Finance, No. 527)

154. Notice on problems related to the terms and living conditions for mainland personnel working in the Hong Kong and Macao region (86) (MOFTEC, Finance, No. 652)

155. Notice on printing and issuing the "Methods for Sharing Among Foreign Trade Firms the Work To Reduce Export Cost, Increase Revenue, and Cut Losses" (86) (MOFTEC, Finance, No. 48)

156. Notice allowing foreign-trade firms to list the average five-yuan monthly wage rise as cost (86) (MOFTEC, Finance, No. 42)

157. Notice forbidding foreign-trade firms from listing production-boosting funds as exporting cost (86) (MOFTEC, Finance, No. 44)

158. Interim regulations on the terms and living conditions for retirees formerly working in special economic zones (86) (MOFTEC, Finance, No. 77)

159. Notice of supplementary provisions on auditing MOFTEC special subsidies for machinery-electronic

imports from the Soviet Union and East European countries (86) (MOFTEC, Finance, No. 79)

160. Notice relaying the "Rules for Providing Incentives for Increasing Exports" and "Means of the Implementation of a Special Fund for Exporting" (86) (MOFTEC, Finance, No. 90)

161. Regulations on additional financial procedures for educational payments (86) (MOFTEC, Trade and Finance, No. 231)

162. Notice on the problem of sending wages home after the increases in rates of exchange (86) (MOFTEC, Finance, No. 232)

163. Notice on printing and issuing the "Supplementary Regulations on the 'Rules for the Implementation of the Methods for Encouraging Exports and Awarding Foreign-Exchange Earnings'" (86) (MOFTEC, Finance, No. 400)

164. Notice on the total wage amount as the basis for calculating and withdrawing money for trade union expenditure (86) (MOFTEC, Finance, No. 400)

165. Notice on methods for providing rate differential subsidies for overseas corporate employees in countries whose currency has been revalued as a result of the enormous upward adjustment of renminbi rates of exchange (86) (MOFTEC, Finance, No. 477)

166. Notice of the implementation of a "Unified accounting system for transactions common to all foreign-trade firms" as of 1 January 1987 (86) (MOFTEC, finance, No. 483)

167. Supplementary regulations for implementing the rules on uniform allowances for personnel in overseas aid programs (86) (MOFTEC, finance, No. 494)

168. Notice on problems related to the remittance of deferential-added or subsidized wages by workers of overseas firms (86) (MOFTEC, finance, No. 574)

169. Notice on improving the terms and living conditions for overseas workers in aid programs (86) (MOFTEC, finance, No. 477)

170. Notice requiring firms and nonprofit making units to submit to auditing departments their accounting books (86) (MOFTEC, finance, No. 588)

171. Notice requiring firms and nonprofit making units to submit their accounting books to financial, tax, auditing, and statistical departments and banks (87) (MOFTEC, finance, No. 588)

172. Notice supplementing the interim regulations governing the withdrawal by foreign-trade firms of export incentive funds (87) (MOFTEC, finance, No. 58)

173. Notice explaining and listing errata in the 1987 edition of the "Unified Accounting System for Transactions Common to All Foreign-Trade Firms" (87) (MOFTEC, Finance, No. 73)

174. Notice on adjusting allowances and hardship allowances for workers in overseas aid programs (87) (MOFTEC, Finance, No. 301)

175. Notice on compiling the financial reports of Sino-foreign joint ventures (87) (MOFTEC, Finance, No. 359)

176. Notice on handling damages claims against their foreign partners by agents for foreign products (87) (MOFTEC, Finance, No. 405)

177. Notice demanding contributions to the energy development fund from foreign-trade firms (87) (MOFTEC, Finance, No. 554)

178. Notice on revising relevant regulations governing the arrangement of income for foreign-trade firms derived from express post levies (87) (MOFTEC, Finance, No. 662)

179. Notice on the settlement and accounting procedures for contracted projects in foreign-trade firms' accounting system (88) (MOFTEC, Finance, No. 17)

180. Notice on financial arrangements related to payments for farmland occupation by state-run enterprises (88) (MOFTEC, Finance, No. 102)

181. Interim rules on the terms and living conditions for China- sent voluntary UN workers (88) (MOFTEC, Finance, No. 638)

182. Notice on the supplementary regulations on the accounting system of foreign-trade firms (88) (MOFTEC, Finance, No. 122)

183. Supplementary regulations on problems related to price subsidies for workers after adjustments in the retail price of major foodstuffs (88) (MOFTEC, Finance, No. 301)

184. Notice on reforming the accounting system of foreign-trade firms (88) (MOFTEC, Finance, No. 393)

185. Notice on the accounting procedures regulating the export risk fund (88) (MOFTEC, Finance, No. 477)

186. Notice on adjusting overseas allowances for workers in overseas aid programs (88) (MOFTEC, Finance, No. 398)

187. Notice on reforming the reporting procedure of the accounts of foreign-trade firms (88) (MOFTEC, Finance, No. 407)

188. Supplementary rules for central foreign-trade firms in withdrawing money from the export incentive fund (88) (MOFTEC, Finance, No. 531)

189. Interim measures for establishing an export risk foundation for central-level foreign-trade firms (88) (MOFTEC, Finance, No. 533)
190. Notice of problems related to the 1989 edition of the accounting return form (89) (MOFTEC, Finance, No. 95)
191. Notice on target fulfillment and grade promotion in accounting work (90) (MOFTEC, Finance, 128)
192. Supplementary notice on problems concerning the 1989 edition of the accounting return form (89) (MOFTEC, Finance, No. 158)
193. Notice removing the requirement that consular staff spend part of their overseas pay in China (89) (MOFTEC, Finance, No. 207)
194. Notice on problems concerning the management of the fixed assets and circulating capital of foreign-trade firms (89) (MOFTEC, Finance, 258)
195. Notice on the financial arrangements in foreign-trade firms for expenditure incurred in extending international markets for machinery-electronic products (89) (MOFTEC, Finance, No. 328)
196. Notice on printing and issuing the 1990 edition of the "Unified Accounting System for Transactions Common to Foreign-Trade Firms" (89) (MOFTEC, Finance, No. 614)
197. Notice on adjusting the overseas and hardship allowances of workers in overseas aid programs (90) (MOFTEC, Finance, No. 26)
198. Notice on target fulfillment and grade promotions in accounting work (90) (MOFTEC, Finance, No. 522)
199. Notice on the accounting procedures for foreign-trade firms on discipline- or law-breaking violations uncovered in the general tax revenue, financial, and commodity price inspection (90) (MOFTEC, Finance, No. 600)
200. Notice on the accounting and financial arrangements for profits in barter trading (90) (MOFTEC, Finance, No. 571)
201. Notice on adjusting the terms and living conditions of overseas corporate workers (90) (MOFTEC, Finance, No. 629)
202. Notice exempting foreign-trade firms from making contributions toward the reserves fund, circulating capital replenishment, export risk fund, energy and transport funds, and budgetary and regulatory funds (91) (MOFTEC, Finance, No. 210)
203. Notice on reviving rules on uniform allowances for overseas aid program workers (91) (MOFTEC, Finance, No. 239)
204. Notice on the accounting system for the foundation for economic and trade education (91) (MOFTEC, Finance, No. 394)
205. Notice on printing and issuing the "Regulations for Raising Money as Subventions for Economic and Trade Education" (91) (MOFTEC, Finance, No. 557)
206. Notice on raising hardship allowances for overseas corporate and aid program workers (91) (MOFTEC, Finance, No. 683)
207. Notice on the standard percentage of domestic pay contained in the overseas pay of overseas corporate workers (91) (MOFTEC, Finance, No. 683)
208. Notice on the terms and living conditions for overseas aid program workers after adjustments in renminbi rates of exchange (91) (MOFTEC, Finance, No. 762)
209. Notice on compiling account return forms (92) (MOFTEC, Finance, No. 54)
210. Notice on revising some provisions of the "Rules for Raising Money as Subventions for Economic and Trade Education" (92) (MOFTEC, Finance, No. 101)
211. Supplementary notice on problems concerning monthly accounting reports (92) (MOFTEC, Finance, No. 258)
212. Notice of the 1992 edition of explanatory note on account return forms which simplifies sets of figures required for account return (92) (MOFTEC, Finance, No. 340)
213. Notice on strengthening financial management and curbing losses (92) (MOFTEC, Finance, No. 383)
214. Notice on the accounting procedures after accounts and budgets have been approved (92) (MOFTEC, Finance, No. 336)
215. Notice on strengthening monthly planning for loading shipments (92) (MOFTEC, Importing and Exporting, Transport, No. 1235)
- State Approves \$193 Billion of Foreign Investment**
HK2810043893 Beijing ZHONGGUO XINWEN SHE in English 1345 GMT 27 Oct 93
- [Text] Beijing, October 27 (CNS)—According to statistics by China's Ministry of Foreign Trade and Economic Cooperation [MOFTEC], by the end of September this year, the country had approved a total of 153,580 foreign-funded enterprises with contractual foreign capital of U.S.\$192.962 billion and actual utilization of foreign capital of U.S.\$49.557 billion.
- Foreign-funded enterprises approved in Guangdong Province make up one-half of the total nationwide.

ranking it first among all the provinces, municipalities and autonomous regions, followed by Shanghai and Fujian.

The foreign-funded enterprises are involved in almost all fields except those forbidden by the state with light industry, textiles, garments, leather, electric household appliances, food and shoes make up the greater share. The largest industries in terms of scale are automobiles and electronics industry.

As for regional distribution, the heaviest concentration of foreign-funded enterprises is the coastal region, but a number of inner provinces and autonomous regions including Shanxi, Shaanxi, Hubei, Sichuan and Xinjiang have been developing fast and opened a big batch of large-sized foreign-invested enterprises.

By the end of last year, 39,551 foreign-funded enterprises had gone into production in China. Since then their investment structure has improved and many well-known transnational companies have invested in a number of China's backbone industries.

Article on Anticorruption Drive, Market Reform

HK2510024593 Beijing GUANGMING RIBAO in Chinese 7 Oct 93 pp 1, 2

[By Qin Jian (4440 0494): "The Struggle Against Corruption and the Development of the Socialist Market Economy"; first paragraph is GUANGMING RIBAO's "abstract"]

[Text] We should understand that the relationship between the development of the socialist market economy and the anticorruption campaign is an issue that we cannot sidestep. The development of the socialist market economy, on the one hand, is creating more and more favorable conditions for curtailing negative phenomena and corruption and, on the other hand, bringing new challenges to the anticorruption effort. The replacement of the old system with the new has given rise to a tendency of spreading of various phenomena of corruption, typically in the following directions: From hidden toward open, from the grass roots toward government organs, from individuals toward collectives, and from a small scope toward a large scope. This has seriously impeded and undermined the sound growth of the system of the socialist market economy and the sound development of economic construction. The anticorruption campaign is a strategic measure for realizing the transition from a planned economy to a market economy and an important condition for the smooth progress of economic construction. Accelerating the conversion to the market economy and the building of a democracy and legal system is a thorough, important means to eliminate negative phenomena and corruption extensively.

† In recent years, the spreading and development of negative phenomena and corruption have caused strong discontent among the broad masses and have become a

hot topic of society. Recently, the party central committee, in keeping with the will of the party and the people, made important arrangements for the anticorruption campaign for the short-term future. The anticorruption campaign, mainly directed to party and government leadership organs, leading cadres, judicial departments, administrative and law-enforcement departments, and economic management departments, is unfolding on a nationwide scale. This has enjoyed a high degree of support from the people who are eager to see practical results of the party central committee's important decision to conduct the anticorruption campaign. In the meantime, however, quite a few comrades have shown a lack of confidence. Some of them believe that the main cause of the spreading of negative phenomena and corruption is the unchecked spreading of money worship, hedonism, and out-and-out individualism under the "money-comes-first" mentality triggered by the market economy, and that, in the context of market economy, if the source of corruption is not stopped, the anticorruption campaign will not yield any substantial results. The worries some other comrades have are just the opposite. They think the anticorruption campaign will undermine the market-oriented economic restructuring and interfere with economic construction in the capacity of the center of all work. Both those viewpoints involve one question: how to look at the relationship between the development of socialist market economy and the anticorruption campaign. This is indeed a question that we cannot sidestep. This article is intended to present some superficial ideas on this issue.

I. The Development of the Socialist Market Economy Is Creating an Increasing Amount of Favorable Conditions for Curtailing Negative Phenomena and Corruption

Reform over the last 14 years has actually been a market-oriented process of switching over from the model of a planned economy to that of a market economy. The 14th National CPC Congress confirmed that the objective of economic reform is to establish a system of socialist market economy. The establishment of the system of a socialist market economy will play a positive, catalytic role in further mobilizing the general public's initiative, enthusiasm, and creativity, and will create more and more favorable conditions for curtailing negative phenomena and corruption.

First of all, the development of the market economy is bound to cause a tremendous shock to, and wash away, the closed and conservative traditional mentality and values and help bring about great changes to people's mental outlook. The pioneering, enterprising, and adventurous spirit of innovation, the democratic consciousness of fair play and fair competition, the truth-seeking attitude that values practical results rather than fame, and the legal consciousness characterized by trustworthiness and compliance with contracts will be fostered, grow, and spread in the market economy. The formation of these mental approaches and values is undoubtedly of great and profound significance to

China, a country with thousands of years of feudal history, in promoting its social progress. It will also play a positive role in curtailing some negative phenomena and corruption with pronounced feudal characteristics. In the meantime, the development of the market economy will create an increasingly solid material basis for the anticorruption campaign and effectively solve some unhealthy tendencies caused by material shortages. The market economy will make social interest relations more straightforward and better defined, and therefore help the anticorruption campaign win more extensive concern and support from the masses.

Secondly, the development and perfection of the market economy are conducive to gradually eliminating the hotbed for unhealthy tendencies and corrupt phenomena that is closely bound up with some regulatory powers under the planned economy. The gradual decontrolling of prices will block the channel for making ill-gotten money by taking advantage of the dual-track pricing system; the gradual reform of the housing system will effectively curb the unhealthy tendency of occupying excessive housing; and change in the enterprise operational mechanism, streamlining government administration, and delegating powers to enterprises will, to some extent, check some practices of seeking personal gain by abusing administrative powers.

Third, a market economy, in a sense, is a legal economy. The basic requirements of the market economy, such as those related to contracts and standardization, not only promote the legalization of economic activities, but also demand that the political system become more democratic and legalized. Moreover, perfection of democracy and the legal system is bound to prove a stronger institutional guarantee for the elimination of corrupt phenomena and create a more effective supervisory and conditioning mechanism. Therefore, it is unfair and wrong to attribute the spreading of negative phenomena and corruption to the development of market economy.

II. Under the New Historical Circumstances, the Anticorruption Campaign Is Faced With New Challenges

On the one hand, the development of market economy creates new conditions for the anticorruption campaign, but on the other hand, it brings new challenges to the anticorruption campaign. The market economy is a "double-edged sword." While it is generating enormous positive effects, the market economy also has its inherent negative effects. The principle of competition characterizing the market economy may arouse interest in speculation by some people and spur them to engage in illicit competition. The principle of exchange of equal value in the market economy may infiltrate into interpersonal relationships, the party's political life, and administrative behavior, thus inducing new forms of seeking personal gain by abusing power or bartering power for money. The legitimacy of appropriate speculation in the market economy tempts some people to engage in speculative and fraudulent practices. The value orientation

of the commodity economy, when emphasizing payoff and stimulation of enthusiasm by profiting, also tends to breed out-and-out egoism and pose a threat to collectivism. In particular, at present, when China's economic system is in a period of switchover, there is imbalance and even lack of convergence in many ways. There are significant discrepancies and lack of coordination between the opening up and enlivening on a microeconomic scale and the change of the regulating and controlling mode on a macroeconomic scale, between state-owned enterprises and nonstate-owned enterprises, between rural areas and cities, between coastal areas and inland areas, between the domestic economic system and foreign-related economic system, between the central authorities and local authorities, and between the government and the enterprise. The stalemated replacement of the old system with the new has spawned a host of loopholes, frictions, and clashes. All this has not only caused chaos and contradictions in the economic order, but also provides opportunities for various negative phenomena and corruption to grow and spread. Furthermore, policy- and law-making is lagging behind to a serious extent and the enforcement of various regulations and control measures has been slackened and weakened, giving rise to the spreading of negative phenomena and corruption. The tendencies are mainly as follows:

1. From hidden to open. Some people put up the signboard of enlivening the market economy and the disguise of bravely blazing a new trail, under which discipline and law-violating practices have become semi-open and even open from the previously hidden state. For instance, those who attend banquets, go sightseeing, and travel abroad for sightseeing all at public expense used to think twice and did not dare to do it openly, but now they do it openly and brazenly with no scruples whatsoever. Some even take advantage of economic activities while performing official duties and accept big awards or large sums of gift money in the presence of the public by attending such activities as lotteries. This is actually bribe-taking in disguise and turning public interests into private interests.

2. From the grass roots to government organs. In the context of the market economy, the most important feature of corruption is using public powers to seek private gain, causing powers to enter the market and giving rise to power-money trading. In the course of replacing the old system with the new, the system of planned economy and the system of market economy coexist and powers and the law of value are influencing economic activities simultaneously. A minority of leadership organs and leading cadres, unable to withstand the tests of being in power and of reform and opening up, or resist the temptation of money, use their powers and principles as bargaining chips to seek personal material interests at the expense of state and collective interests. Some go into business by taking advantage of their power to dispose manpower, financial resources, and materials in pursuit of personal gain. Some commercialize their powers and collect "processing charges" or

"service charges" for every signature or approval memorandum written. Some receive "information charges" for passing a message on the phone. What is worth noticing is that such discipline-violating problems are now spreading from the so-called "seven institutions" or "eight institutions" some years ago to party and government leadership organs.

3. From individuals to collectives. In the course of enlivening the economy, streamlining administration, and delegating powers to lower levels, the leaders of some units abuse so-called "decision-making powers" to seize state property under the name of seeking benefits for staff and workers by collective decision. In this process, they often let some of the common people get something out of it, so as to create the situation whereby the majority are to blame and, therefore, nobody is to blame, and make it easier for them to benefit, which is their objective. Some of them are roped in and corrupted by lawless elements, turn a blind eye to what they do, or provide conditions for law-breaking offenders. Some even collaborate with each other and commit crime in an organized way. In the economic cases that have been or are being investigated today, it is not uncommon that one case involves many people and one clue exposes a series of cases, showing just how serious organized crime is. As these cases often involve their common interests, the offenders check on each other and make arrangements to shield each other. Their actions are premeditated and organized and the way they commit crime is so secret and clever that their cases are hard to discover and investigate.

4. From a small scope to a large scope. Though corrupt elements among party members and cadres are a minority, corrupt phenomena are rather common. In some trades and professions in particular, unhealthy tendencies are still going on despite repeated prohibitions, and are getting more and more serious. They have spread to various trades, professions, departments, and levels. Normally, they find their way from general economic administration departments to such vital departments as law-enforcement, supervisory, and even judicial organs. Many upright people are heavy-hearted over this.

The spread and development of negative phenomena and corruption are seriously impeding and undermining the sound growth of the system of socialist market economy and the healthy development of economic construction. The basic order and basic principle of market economy is fair competition, without which a well-developed system of market economy would be nonexistent and the value and vitality of the market economy would be missing. But negative and corrupt practices mainly characterized by a power-money exchange not only seriously impair the image of the party and government, but also brutally trample on the rule of fair competition in market economy.

The development and growth of market economy require a stable social and political environment. The

spread and development of negative phenomena and corruption have caused strong discontent among the general public and have even become major destabilizing factors in some localities and units.

The spreading and development of negative phenomena and corruption may also disrupt the economic order and directly sabotage economic construction. For example, in recent years the state was under the stress of a serious fund shortage. Key capital construction projects were suffering from insufficient funding, and peasants were receiving IOU's for the agricultural and sideline products purchased from them. But some financial departments appropriated or loaned out tens of millions or even hundreds of millions of yuan for speculative transactions in land, stocks, and foreign exchange, and some insatiable economic criminals often embezzled or accepted bribes worth hundreds of thousands, millions, or even tens of millions of yuan. Innumerable facts prove that serious corruption is a pitfall for economic development, political stability, and social progress. Once falling into this pitfall, the country would definitely land in a chaotic, stagnant, and inefficient state that would last a long time. Therefore, the anticorruption campaign, rather than affecting the formation of the market economy system or interfering with the development of economic construction, is a strategic measure to achieve the transition from a planned economy to a market economy and an important condition for the smooth development of economic construction.

III. The Acceleration of the Conversion to the System of Market Economy and the Building of Democracy and a Legal System Are the Fundamental Way Toward Extensively Eliminating Negative Phenomena and Corruption

The extensive spread of negative phenomena and corruption is clearly marked with the brand of the system. Currently, both the planned economy and the market economy are operating. In the fields where the factor of planned economy takes up a big proportion and the pace of market-oriented transformation is slow, there is a higher chance of negative practices and corruption. For example, there are great discrepancies among the interest rates of credit extended by financial departments and between the state-controlled exchange rates and swap market rates. While the interest rates of bank loans are below 10 percent per annum, those of some interbank loans are as high as 20-30 percent. This tempts some departments to appropriate their budgeted credit funds for interbank loans so as to make high profits. The planned economy is, in one sense, an economy where manpower, financial, and material resources are used by administrative means and administrators. Though the proportion of such resources regulated by the market is expanding at present, administrative personnel still have the power to use manpower, financial, and material resources. Some law or discipline violators, in their own interests, tend to buy powers with money and then get more money through the powers they have. This is how

the power-money trading happens. Therefore, the fundamental way to solve this problem is to bring into the market the authority to use manpower, financial, and material resources, let the market supply and demand mechanism and competitive mechanism use them rationally, and reduce or remove the interference of administrative powers in the microeconomy.

Thus it can be seen that thoroughly eliminating negative phenomena and corruption depends on deepening the economic and political system reform, on perfecting of the socialist legal system, and on improving the operational mechanism of the market economy. What is especially urgent at present is to do a good job in deepening structural reform in departments with a high incidence of negative phenomena and corruption, trace the reasons of high incidence of corruption to the inherent defects of the structures, and solve outstanding problems by deepening the reforms. Only by vigorously popularizing such open and fair competition as public auction, public bidding, and open recruitment in accordance to the laws and principles of market economy and have open, fair, and impartial competition mechanisms extensively established in all fields, can we create conditions in the structures for checking the spreading of negative phenomena and corruption. Naturally, however, the system of market economy is not a cure-all, as it also has its limitations and negative side. To check and eradicate phenomena of corruption requires a series of economic, political, legal, administrative, and educational measures and means that match each other. Nevertheless, we must be aware that the extensive negative phenomena and corruption that have occurred in China's social life at present are largely because the system of market economy has not yet fallen into place and is incompletely structured and not thorough. With the gradual formation of the system of the socialist market economy, in time, solutions to many problems will come.

In short, it is wrong to affirm or negate simply the manifold impact of the development of the market economy on the anticorruption endeavor. But as far as solving the phenomena of corruption in the current social life is concerned, it is of great, immediate, and positive value to deepen the reform and accelerate the establishment and perfection of the system of socialist market economy. The determination and confidence we have in this respect should not waver, because only on this basis can we establish a more complete social operational mechanism and, therefore, stand a chance of thoroughly rectifying and eliminating the phenomena of corruption.

Article on Market Guidance in Enterprise Reform

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[Article by Lu Dong (0712 2639); edited by An Luming (1344 6424 2494): "Intensify Enterprise Reform Guided by the Market"]

[Text] The "Regulations on Transforming the Operational Mechanisms of Industrial Enterprises Under Whole-People Ownership" have now been in force for one year. On the basis of information obtained through a survey conducted not long ago, I would like to give a few opinions on the current issue of deepening enterprise reform.

1. We Must Take the Market as Guidance

Our country's state-owned enterprises, under the centralized planned economy system, practice a system of state ownership and state operation. The whole country is one big enterprise. The main concept formed by this is that the will of government departments determines direction. Now, we want to switch to a socialist market economy structure, so that enterprises become market competition entities and legal person entities equipped with the capacities to "decide their own operations, take responsibility for their own profits and losses, and engage in self-development and self-restraint." That is, we want to renew concepts and switch to where the market provides the main guidance. This is easy to say, but extremely difficult to do. In respect of the government, we have stressed the handing down of power for 10 years, but until now many units have been unwilling to hand power down to enterprises. In respect of the enterprises, the practice of first considering the "mayor" and only then considering the "market" continues to control people's activities. This means that we need to engage in renewal of concepts from top to bottom. Government departments must shift from managing and controlling large and medium-sized state-owned enterprises, relax their control over them, push them toward the market and create a relaxed environment for the enterprises. Enterprises must be brave enough and good at participating in market competition and develop and strengthen themselves guided by the market.

Taking the market as guidance has two aspects of meaning: First, it means taking the demands of the domestic and international markets as guidance. What the market demands, we will provide, while what the market does not demand, we certainly will not produce. Second, it means that we take advanced product levels and advanced management practices as the objects of our study and as our targets, so that we can catch up with and overtake the international advanced levels, and dare to engage in international competition. To this end, we should thoroughly change our idea of seeing the state-owned enterprises as appendages of the government, and allow them, like the three types of partially or wholly foreign-funded enterprises and township and town enterprises, to freely swim within the market mechanism, under overall macroeconomic regulation by the state.

2. We Must Further Put In Order the Property Rights Relationships

Our country's enterprise reforms, from expanding enterprise autonomy to the appropriate separation of operating rights and ownership rights, and then to putting in

order property rights relationships, have all had as their main element the separation of government and enterprise functions and the implementation of enterprise autonomy so that enterprises move toward the market and become legal person entities which "decide on their own operations, take responsibility for their own profits and losses, and engage in self-development and self-restraint." Thus, on the target level, putting in order property rights relationships and transforming enterprise operational mechanisms are identical. This requires that, when researching the relevant policies and laws and regulations for putting property rights in order, we need to orient ourselves toward those problems which the "Regulations" have been unable to completely resolve, and closely link this with enlivening enterprises and transforming enterprise operational mechanisms. These problems include the problem of the separation of government and enterprise functions, the problem of giving ownership rights to enterprises so that enterprises have corporate ownership rights, the problem of the specific supervisory and management forms by which to ensure the maintenance and appreciation of the value of enterprises' state-owned assets, and so on. These have to be resolved one by one.

In the reform of the state-owned assets management system, we first need to ensure that the government's administrative functions and its ownership functions are separated, and then realize a transformation from where assets management is mainly carried out through the form of material assets to where it is mainly carried out through the form of value, and establish a concept and system whereby state-owned assets are independently operated. This is a precondition which will determine whether or not a separation of government and enterprise functions can be achieved, and whether or not enterprises can truly have the ability to decide their own operations and take responsibility for their own profits and losses. As to earnings from enterprises' state-owned assets, and the taxes which enterprises pay in accordance with the law, there should be separate income, separate expenditure, and separate streaming. The earnings of state-owned assets should no longer go into the "dinner finances," but should be used for reinvestment in state assets. That is to say, after taxes are paid in accordance with the law, the earnings of state assets should no longer be handed up to the financial administration. Rather, they should be given to enterprises as development funds, so as to guarantee the value and appreciation of state assets and continually consolidate and strengthen the material basis of the socialist system.

Second, we need to reform the current system whereby there are many different managers of state-owned assets and establish state-owned assets management committees to manage in an overall way and coordinate the operation of state-owned assets. The management of state-owned assets involves managing people and managing funds, as well as assets compensation, renewal, transformation, and appreciation. Seen from the current arrangement of government organs, it will be difficult for

any of the organs to exercise control. Yet, they are all linked with the management of state-owned assets. The establishment of a state-owned assets management system needs to be considered in the light of the next step of the reform of state organs, and we should not establish obstacles to further reforms. It is proposed that in accordance with the principle of the final ownership of state-owned assets lying with the state and the right of management is to be exercised level by level, first under the governments at the two levels of the center and the provinces, then autonomous regions, and then directly administered cities, we should establish state-owned assets management committees in which the various relevant departments participate. It would be better for these organs to be standing ones. If there is at present insufficient time to establish standing organs, we could first organize nonpermanent organs for the transitional period. Their responsibilities would be: To put forward to the State Council proposals on major plans and policies for state-owned enterprises and to coordinate relations between various departments; to select agents for enterprises' state-owned assets, to decide on and authorize when state-owned assets are to be entrusted to others, and to combine the management of assets with the management of people; to decide on the operational modes for state-owned assets, taking responsibility for managing asset earnings; and so on.

Third, we must resolve the question whereby property rights are to be assigned to enterprises and especially to large and medium-sized state-owned enterprises by the government. This will be a major breakthrough in terms of economic structural reform. In the practice of enterprise reform, and especially the practice of the contracted operation responsibility system, we have gained the following understanding: Ownership rights over state-owned assets can be separated into ultimate ownership rights and corporate ownership rights. The state holds ultimate ownership rights, and they form an indivisible entity. The state, through the form of assigned operation of state assets, gives enterprises corporate ownership rights. During the period for which they are entrusted with the assets, the enterprises have full powers of appropriation and control and partial powers of disposal and right to earnings. A unity of corporate ownership rights and operating rights will thus be achieved at the enterprise level. This should become a basic form suited to the asset operation of the vast majority of state-owned enterprises.

Fourth, we must establish a system for supervising the operation of state-owned assets. In enterprises, we can establish monitoring committees. The enterprise monitoring committees will comprise representatives from within the enterprise as well as representatives from relevant departments and other sectors of society outside the enterprise. The functions of the monitoring committee will be to supervise and appraise the operational situation of the enterprise's state-owned assets. It will also exercise supervision over and appraise the enterprise operators and will put forward proposals to the

relevant departments on appointments, dismissals, rewards and punishments. The monitoring committee will not be a decision-making organ for the enterprise and it will not interfere in the production operations of the enterprise. Following the transformation of the functions of government departments, the various specialized departments will no longer directly operate enterprises. They will mainly be responsible for the planning, coordination, supervision and service work. Considering the need to link together the various functional transformations, it is proposed that the specialist departments take on the work of supervising the operation of state-owned assets. Within the various specialized departments, we must establish organs such as monitoring management bureaus, which will be responsible for organizing enterprise monitoring committees and for assigning representatives to the enterprise monitoring committees. Through the enterprise monitoring committees, the departments will understand the operational situation of enterprises' state-owned assets, and will put forward opinions and suggestions to the relevant sides.

Fifth, after establishing the status of the corporate ownership rights of enterprises, we must further study how to resolve the question of a model for enterprise property rights reform. On the basis of current practice, we can envisage the following several models: After some enterprises have corporate ownership rights, we can develop the contract system to where the property rights representative (the enterprise management committee or board of directors) issue contracts to the enterprise operators. The two sides will then establish a contractual relationship in order to achieve the target of maintaining and increasing the value of the state assets. Some might implement shareholding systems: One system might see the state holding the majority of shares, while there would also be shares held by the corporate body and by individuals, and the shares could be listed on the exchange. Another system would see the state holding the majority of the shares, and would also allow shares to be held by the corporate body and by the staff and workers within the enterprise, but such shares could not be listed. This would result in the fates of the shareholders and the enterprise being closely linked. Some could involve Chinese-foreign joint ventures. These would mainly involve a state-owned enterprise holding a controlling share, but under certain conditions the foreign party might be permitted to hold a controlling share. Some could involve state ownership, but civilian operation. In particular, for some small-scale enterprises this could be realized through leasing or contract forms. Any of these property rights reforms which are able to enliven enterprises could be trial-implemented, so that experience can be gained. Then lessons can be summed up and we can proceed.

Our property rights reform has just begun and we lack experience. It is thus quite natural that opinions are not uniform. Through practice, we should continually sum up experiences and continually perfect the systems.

3. We Must Create Conditions for Equal Competition Between State-Owned Enterprises

An important characteristic of the market economy is competition. Through competition there is realized technological progress as well as optimized asset deployment and an optimal industrial structure. In respect of a policy for promoting the development of market competition, the policy of fair competition is the most essential for the enterprise system. Realizing fair competition between enterprises is an extremely important policy issue in establishing a modern enterprise system. The speed at which this is realized will determine the speed of development of the socialist market economy.

Our current enterprise policies are not uniform. Different ownership systems and different regions have different policies. This is not beneficial to the perfecting of a national unified market or to fair competition between enterprises and regions. Let us take the tax policies as an example. The tax rates for state-owned enterprises, collective enterprises, township and town enterprises, and the three types of enterprises which are partly or wholly foreign-funded are all different. The three types of enterprises which are partly or wholly foreign-funded enjoy the most preferential rates, while the state enterprises are in the worst situation. In terms of regional variation, the tax rates also differ between regions, open cities, economic development zones and free trade port areas.

While the creation of this situation does reflect the change in our country from a planned economy to a socialist market economy, at the same time we must also recognize that up to the present these differentials are, to a certain degree, restricting the development of the market economy. First, they are disadvantageous to maintaining the primary position of publicly owned enterprises and particularly state-owned enterprises. Under the current policy of differentiation, the capacity for competition has become increasingly weak, technological progress is slow, the burden of debt liabilities has grown heavier, economic results have declined, skilled personnel have dispersed, and enterprise cohesiveness has become increasingly poor. Second, following the further deepening of reform, there will be an increasing number of mixed-economy enterprises formed through mutual participatory shareholdings by enterprises under different ownership systems, and thus the method of setting policies in accordance with different ownership systems will become increasingly divorced from reality. Third, when formulating different policies on the basis of different ownership systems and different regions, some mistakes may occur in policy guidance. This will result in funds, technologies, and personnel flowing to links where they are not necessarily needed; and this will result in the unified national market being artificially divided, and will exacerbate the undesirable imbalance between regions.

In developing the socialist market economy, it is not the case of us not needing preferential policies. The problem

lies in where we start. The development of a socialist market economy requires unified enterprise policies by which to carry out regulation and control and to carry out policy guidance. These policies should no longer be decided on the basis of different ownership systems and different regions. Rather, through unified national industrial policies, resources should be deployed to the industries where results are best. Only if enterprises under different ownership systems and in different regions are completely equal and are faced by unified policies will it be possible for them to engage in fair competition and will we be able to perfect market regulations, to block unhealthy trends, and to allow our country's socialist market economy to be gradually perfected.

4. We Must Have the State and Enterprises Jointly Resolve the Problem of Motivation for Enterprises To Move Toward the Market

In prompting enterprises to take the market as their orientation and to deepen internal reform, it is necessary to resolve the motivation problem. What is meant by pushing enterprises toward the market is that the state must provide motivation externally. What is meant by having enterprises move toward the market is that it is necessary to resolve the problem of enterprises' internal motivation.

While external conditions are of course important, internal motivation is even more important. The implementation of the "Regulations" of course requires that the government carry out structural reform and transforms functions. These are the first issues which need to be resolved. We can no longer have enterprises be state-owned and state-run. However, the full implementation of the "Regulations" and the bringing of their effectiveness fully into play requires that the enterprises themselves take the initiative and use their autonomy well. In resolving the problem of enterprises' internal motivation, first we need to do firm ideological and political work, and motivate the entrepreneurs and staff and workers to establish a pioneering spirit and a spirit of contribution. At the same time, we must rely on the role of material interests.

In stressing material interests, it is necessary to study deeply the various operational forms. That form which has the greatest motivation and is most beneficial in having enterprises move toward the market should be the form adopted. When researching operational forms, it is necessary to actively draw in advanced management experiences from abroad and also necessary to proceed from China's actual situation and stress methods which are effective in the majority of enterprises. We must make efforts to ensure that all enterprises have both motivation and pressure to move toward the market. The wisdom and daring of entrepreneurs is also a source of enterprise motivation, and in the process by which enterprises move toward the market this plays an important role. Training a contingent of entrepreneurs should become a task for the whole society. The crux lies in

relaxing control and allowing entrepreneurs to daringly engage in work, so that they can be tempered and can mature through their work. At the same time, we must pay attention to giving publicity to the good experiences and good practices of entrepreneurs in transforming enterprise operational mechanisms and in moving toward the market, including such things as ways of managing factories, enterprise spirit and so on. By popularizing the experiences of a single entrepreneur we can encourage thousands of managers (directors) of enterprises to rise with force and spirit.

We also need to pay attention to bringing into play the enthusiasm and creativity of workers, technicians and management personnel. While stressing the bringing into play of the spirit of staff and workers as masters, we must, on the material interests level, ensure that they concern themselves with the fate of the enterprise and spur them to work hard. In terms of material benefit mechanisms: 1) We must seriously give prominence to remuneration in accordance with work and linking wages with enterprise results; at present, this should be the main form; and 2) within enterprises we should, in accordance with standardized methods, gradually implement shareholding systems, so that staff and workers have some material benefits distributed on the basis of the shares they hold. In this way, the staff and workers will pay greater attention to the operational situation of the enterprise, and there will thus be an internal motivation, which will ensure that they actively participate in managing the enterprise well.

Official Discusses Industrial Policy

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[By Sun Shangqing (1327 1424 3237): "Several Questions Regarding Industrial Policies During the New Period"]

[Text] China began to pay attention to the study of industrial policies in the mid 1980's. Then in the late 1980's, China attempted to formulate and implement an industrial policy. Now we have accumulated some experience and scored some results. Here I would like to air my personal views on the study and implementation of industrial policy.

1. Do We Need an Industrial Policy Under the Market Economic Structure?

Do we need an industrial policy, and what industrial policy do we need under the market economic structure? This is a controversial issue. As shown by foreign experience, we have seen some successful cases in which the industrial policy is applied to achieving an economic launch and boosting economic development, for instance, the cases of Japan and the ROK; we also have some unsuccessful cases in which inappropriate application of industrial policies hampers economic development, for example, the case of India; of course, we can cite the cases of some countries actually without any

clearly defined industrial policy, for example, the cases of the United States and Canada. Even for those countries which have pretty successfully applied industrial policies, each case has its own special features, because of different economic development levels, different resources, and different international economic conditions. It appears that whether a country has an industrial policy or not and what special characteristics this policy has are conditional on various factors of the specific country, such as its economic development standard, its economic operational mechanism, and its government's functions regarding the management of the economy. As viewed from the needs of development, China's economy is now at a critical stage of development. In order to fulfill the strategic goal of second stage of economic development by the turn of the century and to lay down a foundation for an economic launch in the next century, we need an industrial policy that suits China's national conditions. As viewed from the operation of the market mechanism, even under a mature market economic system, the market will not possibly be free of some shortcomings and negative factors in the process of automatic allocation of the community's resources. Hence, in these areas the government is required to play an active role in giving guidance and to intervene appropriately in market activities. Now that China is undergoing a transition from a planned to a market economy, one will inevitably face the deviation between the price and value of some products as a phenomenon which violates the law of value, as well as the separation between the price and the demand-supply relationship as a phenomenon which violates the law of supply and demand. Meanwhile, the market remains immature and unsound without a complete set of supporting facilities. Thus market indications still cannot very accurately reflect objective economic operations. Therefore, in the process of structural transformation, still more do we need a correct industrial policy to guide and intervene in the exchange and allocation of resources to ensure orderly operation and wholesome development of the national economy.

The industrial policy under the new circumstances should have the following special characteristics: First, it must be based on a scientific forecast of the long-term development of the economy; it must show foresight, be able to reflect the trend of change in the aggregate demand and structural change, as well as the impact of scientific and technological development on production and consumption. Second, this policy must be a dynamic one with continuity. It is necessary to formulate long-, medium-, and short-term policies, and they should be readjusted from time to time according to the development of the national economy so that the long-, medium-, and short-term policies can perfectly coordinate with and support each other. Third, industrial policy must reflect the orientation of opening. On the one hand, it needs to provide moderate protection to new industries and underdeveloped traditional industries at home; on the other hand, it should ensure fair competition, help prevent monopoly, and push enterprises to face the

challenges both in the international and domestic markets, make use of both resources at home and abroad, actively participate in competition in the market, and expand themselves amid competition. Fourth, this industrial policy should provide guidance. Generally speaking, this guidance should not be compulsory in terms of form and means, but should be designed to result in expected effects. In other words, those localities, enterprises, and departments which implement this industrial policy will score good results, and doing things otherwise will incur losses. Thus, localities, enterprises, and departments will be encouraged to act conscientiously according to the industrial policy.

2. Relationship Between the Industrial Policy and Short-term Macroeconomic Policies

What kind of policy the industrial policy actually is and what relationship there is between the industrial policy and short-term macroeconomic policies (financial policy and monetary policy) needs to be clearly defined, and the two types of policies need to be distinguished from each other. Some people regard industrial policy as the highest-order policy guiding economic development; some believe that industrial policy is the general term for all the policies that the government adopts to intervene in economic activities; yet others maintain that industrial policy is an economic policy the state adopts to influence the operation of some specific industries, with a view to mending the shortcomings and areas of invalidity of the market. It is apparent that these different definitions give the industrial policy different connotations and implications. But actually what content should the industrial policy contain and what means should be applied? As far as this is concerned, one must not copy foreign industrial policies, and neither should a single identical industrial policy be applied to every country. Instead the industrial policy should be formulated in accordance with the specific conditions of economic development of each country. However, whether the industrial policy we have is defined in a broad or narrow sense and whether this industrial policy has a wider or narrower scope of application, it is definite that all industrial policies have common features and they all are distinctively different from general short-term macroeconomic policies. First of all, let us view the policy from its basic goal. Industrial policy is aimed at economic growth and is subordinate to and serves the overall economic development strategy, while short-term macroeconomic policy takes economic stability as its main objective and gives first priority to currency stabilization, inflation control, and full employment. Second, as viewed from the level of the policy applying to it, industrial policy stresses the readjustment of the economic structure, including production, enterprise organizational, technological, and foreign trade structures. We are to optimize and upgrade these structures by guiding and intervening in the allocation of rare and scarce resources. Meanwhile, short-term macroeconomic policies mainly stress the aggregate volume of the economy, and the aggregate supply and demand are to be

regulated through monetary and financial policies so that they can remain basically balanced and economic fluctuation can be minimized. Third, as far as the validity period is concerned, an industrial policy is a medium- and long-term, dynamic policy which is to unfold stage by stage, whereas short-term macroeconomic policies are valid only for a relatively short period. Fourth, as viewed from policy functions in economic activities, industrial policy is a policy on the control of supply and demand which selects some leading industries and supports some major industries to promote overall, coordinated development of other industries, seeking the greatest output with the least resource input within the valid period of the policy, thus improving the efficiency of resource allocation, whereas short-term macroeconomic policies are a kind of demand control policy which control the aggregate amount of money and credit through the readjustment of government expenditure and tax rates and regulate aggregate social demand so a basic balance can be maintained between aggregate demand and supply. It is obvious that industrial policy and short-term macroeconomic policies form two mutually complementary policy systems through which the government intervenes in economic activities.

3. The Relationship Between Industrial Policy and Regional and Departmental Policies

Whether we need to formulate regional and departmental industrial policies apart from a nationwide industrial policy is a question that needs in-depth discussion. Some people maintain that an industrial policy should be a unified, nationally applicable policy; particularly in China today where the market is not well developed, different areas block themselves from each other, the market is seriously divided, and there are many residual barriers between areas and departments. Some other people hold that since China has a vast territory and resource combination and development standards vary greatly from area to area, it is necessary to formulate regional industrial policies despite the guidance of the nationwide unified industrial policy. Also, since there is a great variety of trades within each sector, and the distribution of trades varies remarkably from area to area, it is necessary to formulate departmental industrial policies as well. In my opinion, both views are correct in a certain sense. First, with regard to industrial policy, there should be national, regional, and departmental industrial policies. Regional and departmental industrial policies must not go counter to the national industrial policy, neither should they be mere copies of the national industrial policy. While setting the objectives of the industrial policy and selecting leading and major industries, one must first take long-term and overall interests into consideration, and preserve the nature of the national industrial policy as a unified and authoritative policy. Second, the policy of industrial organization must be formulated by the state in a centralized manner, and different areas should not enact their own policies. Because the policy on industrial

organization is a kind of economic policy encouraging effective competition and preventing monopoly, it will very easily cause such bad consequences as blockades between areas, illegitimate competition, administrative monopolies, and uneconomical scale of management if different areas are allowed to formulate and practice different policies. Third, it is necessary for different specialized departments to formulate industrial policies for their own departments or trades in accordance with the roles of their own departments or trades in the industrial policy and the regional distribution pattern of these trades, under the guidance of the national industrial policy, so that the latter can be applied to specific local circumstances.

4. Relationship Between Industrial Policy and the Transformation of Enterprise Operational Mechanism and of the Government's Functions Regarding Economic Management

Whether the industrial policy will work efficiently depends on two important factors: The first is the enterprise operational mechanism, and the second is government functions regarding economic management.

The industrial policy currently practiced in our country is different from those practiced under a mature market economy. Ours should have a dual function. On the one hand, the industrial policy should be able to make up the intrinsic shortcomings of the market mechanism and eliminate its negative impact; on the other, it should also be conducive to the shaping and growth of the socialist market economic mechanism. Whether an industrial policy can score expected results depends to a very large extent on whether the enterprise's operational mechanism is sound and whether the enterprise has vitality. It is particularly so given the condition of the socialist market economy with public ownership as its mainstay. Experience has shown that if an enterprise fails to regulate its economic activities in good time according to market signals and efficiently participate in market competition on its own, the allocation of resources can hardly be optimized despite artificial intervention of resource allocation and purposeful protection of the enterprise. Therefore, the formulation and implementation of the industrial policy must be closely combined with the transformation of the operational mechanism of enterprises, especially large and medium state-owned enterprises, and a scientific industrial policy must be based on an enterprise operational mechanism that is full of vigor.

An industrial policy, as a policy, must not only be formulated but also enforced by the government. In summing up past experience in the implementation of industrial policy, it is widely felt that this involves many difficulties. We must distinguish industrial policy from the conventional planned economic system, and we must change management methods that take industrial policy as an administrative means for sharing out projects and resources; and we must also ensure that an industrial policy will be implemented in real earnest and that it will not be rendered ineffective, but will serve as a really

effective means to intervene in the allocation of resources and regulation of industrial economic activities. To this end our macroeconomic control authorities, including all the specialized departments, are required to truly transform their functions regarding economic control. The government should not interfere with enterprises exercising power and performing duties as prescribed by state laws and decrees, neither should it retain any rights that should be delegated to the enterprises.

Federation Report on Labor Emulation Campaigns

*OW2610101593 Beijing XINHUA in English 0832
GMT 26 Oct 93*

[By Li Zhurun]

[Text] Beijing, October 26 (XINHUA)—Labor emulation campaigns have more than doubled China's industrial productivity over the past 15 years, XINHUA learned from the All-China Federation of Trade Unions (ACFTU) today.

ACFTU officials said that China's per capita industrial productivity in 1992 was 2.65 times the figure for 1978, when China began implementing the policy of reforms and opening to the world. This meant an annual average rise of 9.7 percent.

"In building a socialist market economy, there is the need, as when China was rebuilding its war-ruined economy in the 1950s, to encourage labor initiative and creativity to raise output while reducing the cost," said Xue Zhaoyun, member of the ACFTU Secretariat.

Xue cited China's oil workers who helped ensure an increase in China's oil output at less cost through a nationwide emulation campaign in 1992. The target was to reduce the cost of producing one ton of crude oil or one cubic meter of natural gas by one percentage point while meeting the government plans for oil drilling and oil output.

The result was an increase of over one million tons in the 1992 output of crude oil in 15 major oil fields, including Daqing, China's biggest. In half of these oil fields, the cost dropped between one and seven percent.

Labor emulation began right after New China was founded in 1949. But, said ACFTU officials, the difference is that more attention is being paid to using science and the latest technology to boost productivity.

There are 63,627 workers' science and technology associations in 30 provinces, municipalities and autonomous regions, most of the cities and many counties and large and medium-sized enterprises.

As in the past, most association members are skilled model workers but in recent years, more and more university professors and other experts have joined. They help coordinate efforts between regions or enterprises to tackle technical bottlenecks, often working in spare time and holidays.

Between 1989 and 1992, said Xue, association members helped resolve one million technical problems throughout the country, bringing in 17.8 billion yuan in additional output value.

They also helped spread the use of 400,000 new techniques or skills, and the extra profitability produced was estimated at 12 billion yuan, Xue said.

Another difference is that association members now offer paid services—technical, information or consultancy—while in the past, their services used to be free in most cases.

According to ACFTU officials, in 1992, workers' science and technology associations throughout China were operating 230,000 companies which had a combined business volume of 2.54 billion yuan.

In industrial enterprises, workers have since 1986 contributed 126 million suggestions for management or production rationalization, which helped yield 11 billion yuan in extra profitability.

"All facts point to the fact that China's working masses are carrying forward their tradition of hard work and devotion to the country despite so many changes in China," Xue concluded.

She cited the latest ACFTU opinion poll on workers' conditions to justify what she said. The nationwide poll was judged as scientific by experts at the State Statistical Bureau and the Chinese Academy of Sciences.

On workers' attitudes toward labor, 48 percent of those covered by the poll indicated willingness to work "without thought of self," 14.1 percent were willing to take up any job "as long as it makes good money," and 27.2 percent wanted to work "in such a way as to be commensurate with the payment."

"I'll do any amount of work as ordered by the boss—no more and no less"—this approach was favored by 9.8 percent of those covered by the poll. Only 0.8 percent said that they wanted to "avoid work as long as it is possible."

Trade Unions Offer Jobs to Unemployed Workers

*OW2810094193 Beijing XINHUA in English 0854
GMT 28 Oct 93*

[by Li Zhurun]

[Text] Beijing, October 28 (XINHUA)—Chinese trade unions are operating hundreds of facilities offering jobs to unemployed workers as factories are being streamlined for higher productivity.

According to officials at the All-China Federation of Trade Unions [ACFTU], over 10,000 people have found new jobs through the help of "union job agencies" which, unlike other types of agencies, serve only the needs of workers.

In Harbin, capital of Heilongjiang Province, local unions run dozens of "flea markets" to help workers in financial difficulties. Over the past two years, 3,000 have changed their conditions by doing business in their spare time or on holiday.

ACFTU officials cited these examples to show how unions take to heart problems facing those who are paying a price for China's reforms.

China's working masses, taken as a whole, have benefited from the reforms. Their monthly cash income from their companies up is by an annual average of five percent since the economic restructuring began in 1979.

But, said ACFTU officials, no small number of workers now face problems such as insecure jobs and income now that employers have autonomy in management, employment and payment to staff.

"We help employees understand why reforms are necessary and get them involved," said Xue Zhaoyun, member of the ACFTU secretariat. "Meanwhile, we strive to protect employee rights and interests and help them tide over the difficulties, if any."

"The purpose is to help achieve reconciliation when conflicts crop up, and we believe reforms serve the vital interests of workers," she said.

Xue and other ACFTU officials spoke of the Shanghai No. 3 Iron and Steel Mill which has trimmed its staff by about 20 percent over the past two years.

In response to the management stating its intention to reduce the number of workers by 5,210, the mill's union committee called a special session of the workers' congress to discuss and examine the plan.

The intention became a decision only after it won the approval of the congress. After that, 1,500 workers cut from the production lines were given jobs at service companies set up by the management and union together.

Of the rest of the "redundant staff," 137 insisted that they continue working at the mill. The union negotiated with the management and made it agree to take back all before the end of this year except those who preferred to find jobs by themselves.

ACFTU officials, however, admitted that some seven million wage earners throughout China still live below the poverty line—meaning 20 million if their families are counted.

In response to the problem, unions throughout the country have set up 400,000 foundations, which offer subsidies to such families or loans to help them start family businesses.

These foundations have raised 104 million yuan for the purpose over the past two years. In addition, unions

throughout China are running 110,000 companies and using part of the profits to help workers they classify as "poverty-stricken."

Unions have also organized mutual-aid groups that provide a kind of insurance against death or illness of workers' family members. By the end of 1992, 8.7 million workers had been insured after each paid a lump sum of up to 100 yuan.

ACFTU officials cited the example of the Kailuan coal mines in Hebei Province, where the compensation amounts to 10,000 yuan—about three years' wages for an average miner—for a single death.

In Shanghai, China's largest industrial city, the municipal government published a decree earlier this year on the minimum wages for employees at enterprises in the city's urban sector. In the absence of a national law on minimum wages, the Shanghai Union Federation called for local legislation and succeeded.

In a dozen cities, governments raised the subsidies for people below the poverty line at the request of local unions.

"Maintaining regular contacts with the government and letting it know workers' grievances and demands are an important task of unions," Xue Zhaoyun said.

Foreign Firms 'Obligated' To Set Up Trade Unions

OW2810103893 Beijing XINHUA in English 0908
GMT 28 Oct 93

[By Gao Jianxin]

[Text] Beijing, October 28 (XINHUA)—Foreign companies will be obliged to see to it that trade unions are established in enterprises they set up in China, a senior official at the All-China Federation of Trade Unions [ACFTU] told XINHUA today.

Once a foreign-funded project is approved by the authorities, the investors should make "proper arrangements" for the establishment of a union organization, and the rule applies to investors from Taiwan, Hong Kong and Macao, said Chang Muchang, who is in charge of localities' grassroots union work.

Workers in foreign-funded enterprises have the right to establish trade unions in accordance with the law, and ACFTU is to help set up unions within two or three years in all foreign-funded enterprises already operational in China, Chang said.

Five million people are working in some 40,000 foreign-funded enterprises set up under the policy of opening China to the outside world. Only a small percentage of them have organized unions, Chang added.

Most foreign-funded enterprises have normal employer-employee relations. But labor disputes are growing in

number because some employers ignore the legitimate rights and interests of their employees, said the official.

These employers, he said, often fail to implement the contracts they have signed with their employees. The working conditions they provide are harsh and there have been cases involving employers violating personal freedoms of the employees.

Chang also accused some employers of forcing their employees to work extra hours without proper payment.

"Foreign investment is important to China, but it is our hope—and the hope of all Chinese workers—that investors abide by China's laws and government decrees on workers' rights and interests," he said.

The officials cited a number of outstanding cases. One involved the foreign manager of a Japanese-funded hotel in Shanghai who forced two waitresses suspected of stealing something from a client to strip naked to facilitate the search.

In a Hong Kong-funded factory in the Shenzhen Special Economic Zone, a worker was not only sacked but also beaten for smoking in the workshop, even though the man had apologized and paid a fine.

State Council To Adopt Banking Reform Measures

HK2810040093 Hong Kong TA KUNG PAO in Chinese 22 Oct 93 p 1

["Special dispatch" by staff reporter Ma Ling (7456 3781): "State Council Will Reform Banking System and Establish Three Policy-Oriented Banks"]

[Text] Beijing, 21 Oct (TA KUNG PAO)—According to sources in relevant departments, reform of the banking system is aimed at building up a new banking organizational system led by the central bank, is mainly composed of state-owned commercial banks, and is based on the cooperative division of work among different types of financial institutions in a competitive environment. To achieve this purpose, the State Council will adopt the following measures: The People's Bank of China, as the central bank, will be responsible for the overall regulation and control of the banking industry; three policy-oriented banks will be set up, and they are the Long-Term Credit Development Bank, the Agricultural Bank, and the Import and Export Trust Bank; and the four existing specialized banks will be transformed into a number of commercial banks.

The plan was formulated according to the general reform objective of establishing a banking system that combines effective macroscopic control with dynamic microeconomic activities. It is aimed at diversifying banking and financial institutions, diversifying financial and monetary methods, allowing the market to determine interest rates, and indirectly exercising macroscopic control. The central bank will control and regulate the money supply

through controlling and regulating the lending ability of banking institutions, and the focus of control and regulation will be shifted to the scale of the money supply and to interest rates. The Long-Term Credit Development Bank will be built mainly on the basis of the original Construction Bank of China, the Agricultural Bank will mainly be responsible for financing the purchase of farm produce, and the Import and Export Trust Bank will be mainly responsible for financing foreign trade.

Reportedly, there are three main reasons for carrying out this reform: First, a high degree of monopoly exists in the present banking system, and this makes it very hard to effect indirect control and carry out relevant reforms. Second, the economic efficiency of financial activities in banking organizations at present is declining, and it will be hard for them to meet the future needs of the economy. Third, it is hard for banking institutions at present to free themselves from intervention by local governments and to effectively maintain monetary order.

Bank of China Official Views Financial Situation

OW2610143493 Beijing XINHUA Domestic Service in Chinese 1145 GMT 21 Oct 93

[Text] Beijing, 21 Oct (XINHUA)—The People's Bank of China has achieved good results in properly readjusting the direction of fund flow and supporting major economic development projects during the course of strengthening macroeconomic regulation and control. However, some localities and enterprises are still complaining about capital fund shortage. Reporters interviewed Zhou Zhengqing, vice governor of the People's Bank of China, on the phenomenon and asked relevant questions.

[Unidentified Reporter] It has been more than three months since the central authorities implemented measures to strengthen macroeconomic regulation and control. What changes have taken place in the overall economic situation and in the financial situation?

[Zhou] Since July this year, all localities and departments, and banking organizations at all levels have done a great deal of meticulous and hard work in accordance with the central policy of strengthening macroeconomic regulation and control. With the macroeconomic regulation and control producing good results across the country, the financial situation is improving, yielding a positive effect on economic development. The overheated economy in the development zones and real estate business has somewhat cooled down; the increasing trend of investment in fixed assets has been slowed down a little; funds for building agricultural, energy, transport, and other priority projects have been ensured; industrial growth has been stabilized; capital goods prices are decreasing; and market exchange rates are stable and rational, showing the trend of smooth transition in the national economy. The improvement of the financial situation is even more remarkable. First, savings deposits have increased steadily, with an

increase of 107.7 billion yuan in the saving deposits of urban and rural residents in the third quarter, up 66.6 billion yuan from the third quarter of 1992. Second, noticeable progress has been made in recovering loans which were extended in violation of regulations. Third, the trend of excessive cash supply has been reversed, with 19.2 billion yuan less in July through September this year than the same period of last year. Fourth, specialized banks have enhanced their payment ability, with more ready cash, amounting to 7.2 percent of total deposits as of the end of September. Fifth, exchange rates between renminbi and foreign currencies have been stabilized at a basically rational level since July, attaining the desired goal of government policy. However, we should also see some great difficulties existing in our current financial work. Since the scale of capital construction is still too large, the shortage of credit funds remains acute, and the task of readjusting the credit structure is very arduous.

[Reporter] How much did bank loans increase in the third quarter? How was the direction of fund flow readjusted and how successful was it?

[Zhou] During the period, the People's Bank of China and various specialized banks extended more loans, further readjusted the credit structure, and vigorously supported the needs of major economic development projects. In the first half of this year, bank loans increased by only 99.3 billion yuan, 26.3 billion yuan less than the first half of 1992. In the third quarter of this year, the banks took measures to "stop illegal loans and enforce regulations," and the People's Bank of China extended 100.8 billion yuan in loans to various specialized banks. In the same period, state banks extended various loans amounting to 100.3 billion yuan to enterprises, nearly 30 billion yuan more than the third quarter of 1992. Those loans, extended mainly to support the urgent needs of state enterprises, have yielded comparatively good results. Summer purchases of agricultural and sideline products did not encounter any fund problems, and no IOU's were made out to peasants. The funds for the autumn purchase of agricultural and sideline products are ready ahead of schedule. In the first nine months, the construction banks extended 22 billion yuan more loans to the railway, coal, petroleum, electric power, transport, iron and steel, chemical, petrochemical, and building materials industries; and 82 percent of their annual fund allocation was made, overfulfilling the 70 percent requirement set by the State Council departments concerned. In extending loans, the banks gave high priority to supporting the production of major large and medium state-owned enterprises, as well as the needs of state exports and imports. According to statistics compiled by the Industrial and Commercial Bank, a total of 8.5 billion yuan of capital funds were allocated to 8,000 major large and medium state-owned enterprises in August and September alone. We should say that during the period, the banks have ensured funds for major needs by readjusting the credit structure, and have played a positive role in supporting sustained, rapid, and sound economic development.

[Reporter] Some people believe the current shortage of funds reported by some areas and enterprises was caused by banks recovery of loans granted against regulations, by enterprises being prohibited to pool funds from society, and by the prohibition of the issuing of bonds after macroeconomic regulation and control measures were taken. What is your opinion of this problem?

[Zhou] When we observe and analyze a problem, instead of separating the sequential connections, we must look at it from all sides and observe its essence through its appearance. Likewise, we should adopt this attitude in our analysis of the current funds problem. Judging from the actual conditions of China's economic development, we can see the shortage of funds faced by enterprises is an historical phenomenon. It will pose a long-standing problem for China in accelerating economic development as it is a developing country. An important indicator showing funds at the disposal of enterprises is the item "enterprise deposits" on banks' statistical statements and reports on income and payment in credit operations. The actual situation in this respect is that, before the central authorities strengthened macroeconomic regulation and control, "enterprise deposits" dropped by 28.7 billion yuan in June, 34 billion yuan in July, and 10.6 billion yuan in August; and, it dropped by only 600 million yuan in September, less than that posted in the same period of last year by 11.9 billion yuan. It is estimated that enterprise deposits will show an increase in October. This shows the shortage of funds faced by enterprises was not caused by the central authorities strengthening macroeconomic regulations and control. One conspicuous cause for the current shortage of funds is expansion of investments in fixed assets. Everyone knows that there is a certain limit to the total amount of funds the whole country can supply in a given period of time. Overly rapid growth in investment in fixed assets and excessive use of funds, coupled with indiscriminate pooling of funds and granting of loans, will inevitably affect the supply of operating funds for normal production and, thus, cause shortage of funds. In other words, excessive input into expanded reproduction makes inroads on simple reproduction's needs. It was due to these causes that in the first half of this year, bank saving deposits dropped by a wide margin; this year's money supply exceeded the level of any year in the past; specialized banks' ability to make payments against cash withdrawal by deposit clients weakened; commodity prices kept rising; funds for key construction projects were scattered; the ratio of funds channeled to their proper recipients was very low; funds for agriculture were misappropriated; the whole financial situation was very grim; and the bowstring of macroeconomic environment was stretched very taut. Big economic fluctuations might have occurred if we had not taken effective measures to ease the situation. To this end, the CPC Central Committee and State Council made the timely decision on strengthening macroeconomic regulation and control. After these measures were implemented, they played a positive role in easing this kind of grim situation. Now we can clearly see if these measures had

not been taken, the whole economic situation and contradiction in the shortage of funds would have become even more serious. Therefore, I think the shortage of funds in certain areas is a comprehensive reflection of the entire economic operations since last year. I do not think the problem occurred after the implementation of the measures for strengthening macroeconomic regulation and control.

What needs to be stressed here is that financial measures taken by the central authorities to strengthen macroeconomic regulation and control are not tightening money supply. Whether money supply is tightened or not depends mainly on the central bank's regulation and control of the basic currency. The central bank arranged a total of 100 billion yuan's worth of basic currency in August and September; they were all available by early October. The same period of last year saw an increase of only 14.6 billion yuan. The amount and speed of money supply had not previously happened in history. The supply of such an amount of basic currency will produce a positive influence over the increase in credit supply by specialized banks during the fourth quarter.

[Reporter] What are the main reasons for the current shortage of funds faced by enterprises?

[Zhou] There are many reasons. First of all, an overly large scale of investment in fixed assets, an excessively rapid growth in industrial production, and a drop in the percentage of product sales are the fundamental causes of the fund shortages faced by enterprises. Statistics show that the amount of capital which state units invested in fixed assets during the January-September period this year was 66.4 percent higher than that of the same period last year. It is estimated that the amount of capital which the nation's state units will invest in fixed assets this year will be substantially higher than was planned early this year. As the financial resources budgeted in the original plan have not increased and the amount of capital raised by localities has grown significantly, the amount of capital available as circulating capital for enterprises will certainly be reduced. It is estimated that, for the more than one trillion yuan of fixed assets that have been completed through state unit investment in 1992 and 1993, the minimum amount of matching funds for circulating capital should be close to 100 billion yuan. As this amount of money has not been budgeted for, it will certainly cause a run on the volume of funds available for enterprise circulating capital. Second, a sizable amount of capital has been idled because certain enterprises have failed to organize production according to market needs, or because a lack of transport has prevented them marketing their goods, it has forced them to default on payment among themselves and has expanded the three types of funds [funds for commodities shipped out of factories, receivables, and prepaid accounts]. Third, because of the growing deficits of some large and medium enterprises, bank loans have been diverted to other uses, enterprises have been unable to replenish their circulating capital, and covert and overt losses have drained more capital.

Fourth, the rise in prices of capital goods and raw and semi-finished materials has meant that more circulating capital than was previously budgeted for has had to be used. Fifth, the numerous economic entities set up since last year by many enterprises and government organs have also taken away part of the circulating capital for their operations. The capital shortage has also been aggravated as result of the measured steps we have taken to deal with improprieties when banking departments embarked on putting the banking system in order, recalling loans which banks have illegitimately extended among themselves, and the restructuring of the credit system started last July.

Therefore, I believe that when we study solutions to the problems caused by the current capital shortage, we must carefully analyze specific issues and take comprehensive measures to deal with these problems. For example, as far as the shortage of circulating capital caused by unsold commodities is concerned, we must study market changes thoroughly, restructure product mixes and output according to market needs, and limit output and promote sales in order to reduce inventories. To deal with the shortage of capital caused by excessive investment in fixed assets, we must be determined to appropriately curtail investment in ordinary fixed assets, especially high-class living quarters and real estate. And in order to deal with the shortage of circulating capital caused by misuse of capital by unprofitable enterprises, we must deal with the problem by streamlining the management of these enterprises and improving their economic performance. In short, while we must do everything possible to enliven the use of capital, pool our financial resources and use them on priority projects, and speed up capital turnover, banking facilities must also have more money to invest in view of the actual shortage of capital available to enterprises. I believe the capital shortage can be further alleviated once our banks have more money for loans. Enterprises and banks in all localities should now thoroughly study the market, restructure product mixes and output according to market needs, and make positive efforts to promote sales. Once the necessary money for loans is available and market needs are heeded, loans can be used more effectively.

I want to add here that after the central authorities publicized the measures for strengthening macro regulation and control, local authorities and enterprises should have made genuine efforts to curtail investment in nonessential fixed assets, but they did not. According to what we have learned, some local authorities and enterprises waited for the central bank to "open its vaults" and support ordinary local processing industries, construction projects which did not have the ability to proceed, and to continue the high investment growth in capital construction projects. If the state were to satisfy such irrational demands, it would be forced to issue large amounts of money, the initial success achieved by macro regulation and control would be lost, economic development would be impeded, and the reform programs for

next year would be even more difficult. To deal with the contradictions between capital supply and demand, we must realize the need for "sustained, fast, and healthy" economic development and determine the priorities and size of our economic construction on the basis of our needs as well as our financial and material resources so that investment in fixed assets and economic growth can be appropriately maintained. To deal with the deep-rooted problems, we must speed up the restructuring of operations governing investment, finance and taxation affairs, banking services, foreign trade, and business. The central bank must also intensify its macro regulation and control to ensure the financial needs of the state's priority projects to promote a more efficient use of capital.

[Reporter] What are the guiding principles and concrete measures for the monetary and credit work of the people's bank in the fourth quarter?

[Zhou] For a period of time to come, the guiding principles and concrete measures for the monetary and credit work of the people's bank are to continue implementing the central authorities' macroeconomic regulation and control measures, supply a proper amount of capital funds to support major economic development needs in a timely and effective manner, promote sustained, rapid and sound economic development, and create a better financial environment for next year's major state reforms.

First, we will continue the macroeconomic regulation and control measures, make every effort to raise capital funds, and ensure the fulfillment of the credit plan. In the next step, the banking department will further carry out State Council demands, continue to deepen reform, improve business management, stop irregularities, enforce regulations, and play the main channel role of a state bank. All local banks should continue to recover illegally extended loans according to relevant policies, control the scale of loans for fixed asset investment, strive to increase deposits, continue to improve order in the banking sector, enforce banking discipline, resolutely and strictly abide by the "three pledges [no elaboration as received]," and perform banking work well. Second, we will strengthen the regulation, control, and management of the central bank's capital fund money. The central bank will regulate and control its loans in accordance with the principle of quick extension, quick recovery, and proper amount. Third, we will continue to readjust the credit structure and ensure the availability of funds for major needs. One is to pay particular attention to supplying funds for the autumn purchase of agricultural and sideline products. All banks should seriously implement the circular of the party central committee and the State Council on ensuring a successful autumn purchase of agricultural and sideline products, pay attention to supplying and managing the purchasing funds well, and resolutely ensure that no IOU's are made out during the autumn purchase. The next thing is to ensure the supply of working funds and technological transformation funds for economically

efficient enterprises with marketable products; continue to implement the credit management principle of "five priorities, five strict controls, and eight disqualifications for loans"; and properly increase technological transformation loans to village and town enterprises, help improve the quality of their products, and raise their scientific and technological proficiency. The third thing is to support the needs of key construction projects, and permit banks to carry over to next year any fixed asset investment loans which, for whatever reason, are not loaned out this year. Fourth, we will deepen reform to further improve the credit management system and procedures. All specialized banks should increase the amount of credit funds they raise and improve their use, and should do a particularly good job in fund allocation and transfer. People's Bank branches should strengthen supervision over the use of credit funds by local, specialized banks. We will continue to develop local money markets designed mainly for money supply among local banks, and give full play to the money regulating ability of the money supply centers established under the leadership of local branches of the People's Bank. Fifth, we have recently dispatched 10 financial work investigation groups to inspect the implementation of macroeconomic regulation and control measures and the use of bank credit funds in the banking circles of some localities. The investigation groups will take prompt action to solve local problems on the spot. Sixth, all banks must seriously wage an anticorruption struggle. Anyone who disrupts the banking order, embezzles state property, or seriously violates laws or regulations must be severely punished according to law. Anyone who trades power for money, seeks private gain in granting loans, practices usury, takes kickbacks, cheats savings account holders, or takes bribes as a condition for granting loans to enterprises, regardless of their economic efficiency, must be dealt with sternly. In short, the banking department should enhance vigor and work hard under the leadership of the party Central Committee and the State Council and in coordination with local authorities and other departments concerned to resolutely accomplish this year's banking tasks and firmly support sustained, rapid and sound economic development.

State Recovers 3.5 Billion Yuan in 'Unpaid Taxes'

HK2010110993 Beijing CHINA DAILY in English
20 Oct 93 p 1

[By staff reporter Wang Yong: "Inspection Recoups \$603 Million in Unpaid Taxes"]

[Text] The government recovered nearly 3.5 billion yuan (\$603 million) in unpaid taxes by the end of September, it was revealed in Beijing yesterday.

The breakthrough followed a nationwide financial inspection set up by the central government in July.

And yesterday Chinese authorities described it as "an initial success in nipping the country's rampant tax defaults and evasion."

The campaign was kicked off to stem a hemorrhage of State revenue mainly through tax evasion and fraud and estimated conservatively at 100 billion yuan (\$17.2 billion) a year.

In a parallel move yesterday, the authorities declared they would step up the battle against fraudulent claims from tax refunds on exports. It is international practice that firms receive government tax refunds on goods they export.

But illegal dealers, mainly in Shenzhen, Guangdong Province, have claimed millions of yuan from the State through false export certificates.

The State Taxation Administration told China Daily that more than 60 major cases had been spotted since the administration and the Supreme People's Procuratorate set up a special office to investigate the problem in July.

Such frauds usually involve more than 10 million yuan (\$1.72 million).

Finance Minister Liu Zhongli has said tax evasion and fraud must be stopped to ensure the State has enough cash.

And his remarks have an added significance now China is striving to fix financial disorders caused by runaway credit and investment.

Liu said the central government's attempts to set up better financial systems would be scuppered if it could not guarantee tax income.

About \$360 million of the \$603 million recovered in the tax probe has already been channeled into State coffers, said the Finance Minister.

The total figure was recovered from more than 6.1 million units, including self-employed workers.

Ministry Plans To Improve Rail Transportation

HK2710032493 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1259 GMT 22 Oct 93

[By reporter Xie Zuan (6200 9449)]

[Text] Since the beginning of this year negative growth has been haunting the railway carrying trade on the Chinese mainland, aggravating the existing strain on transportation. This is highly incompatible with the rapid growth of the national economy. In view of this problem, the Ministry of Railways is determined to speed up railway construction and has introduced a series of improvement measures in a bid to reverse the grim situation in railway transportation at an early stage. Things are expected to improve.

According to statistics of China's Ministry of Railways, from January to May this year, the estimated volume of rail freight carried nationwide was 631 million metric tons, 14.37 million short of the target and 1.48 million less than the same period last year, or down 0.2 percent.

Within this figure, the volume of coal carried was 9.6 million metric tons short of the target and 6.49 million less than the same period last year, or down 2.4 percent.

In the meantime, large amounts of goods have been piling up in various provinces and municipalities. There is simply no transportation for these goods that urgently need forwarding to various destinations in the country. By the end of May, 4.6 million metric tons of goods were awaiting transportation in Jilin Province; 6.32 million metric tons in Liaoning; 1.08 million metric tons in Gansu; 2.91 million metric tons in Ningxia; 2 million metric tons in Sichuan....

Vice Minister of Railways Guo Lin pointed out that many factors have contributed to the problems in railway transportation, but the following problems and practices in particular have greatly affected the efficiency of transportation: Growth of passenger transport at the expense of cargo transport; weak leadership by the railway authorities; lax discipline; failure to organize loading according to plans and prescribed directions; failure to empty wagons as planned; failure to execute suspension or restriction orders strictly; and even provision of false information about the number of wagons loaded and destinations, and forged invoices.

In view of the above-mentioned phenomena, the railway authorities recently launched a comprehensive rectification campaign in a bid to take vigorous measures against such illicit practices as seeking personal gain through the power of wagon allocation, seeking private benefit by manipulating the issue of waybills, putting up prices arbitrarily, and blackmailing and extorting money from customers. They also instructed that persons, or cases of, failing to obey orders, violating transportation discipline, and undermining transportation operation should be strictly handled without receiving any lenient treatment, so as to ensure the normal operation of rail transport. In the meantime, railway bureaus have ordered the revoking of more than 200 types of unreasonable and illegal fees and the stern investigation and punishment of a batch of corrupt elements. So far, all railway bureaus have formulated and begun implementing over 150 service standards aimed at improving service quality.

Recently, China's State Council ratified the increase in rail freight charges from 0.0385 yuan per metric ton-km to 0.0535 yuan. Computed on the basis of the Ministry of Railways' transport target for this year of 1.56 billion metric tons, the railway transportation sector will have extra income of over 8 billion yuan in the second half of this year. This sum has been designated as a "Railway Construction Fund," to be put into railway construction without deductions.

A relevant person maintained that at a time when the inflationary pressure in China is increasing, the central authorities' successful presentation of the plan to raise rail freight charges is sufficient proof of the state's determination to speed up railway construction. He was

convinced that there will soon be new prospects for the railway transportation industry nationwide.

Further on Zhu Rongji Visiting Yangpu Bridge

OW2710021093 Beijing XINHUA Domestic Service in Chinese 1111 GMT 23 Oct 93

[By reporter Chen Maodi (7115 3029 1717)]

[Text] Shanghai, 23 Oct (XINHUA)—The Shanghai Yangpu Bridge—the longest slant cable-stayed bridge in the world—formally opened to traffic today.

At a ceremony to mark the bridge's opening, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, on behalf of General Secretary Jiang Zemin and Premier Li Peng, extended his warm congratulations and heartfelt thanks to all bridge constructors who set a world record on the speed of the construction of a slant cable-stayed bridge.

Zhu Rongji said: "I am very happy to have the opportunity to attend today's ceremony to mark the Yangpu Bridge's opening. Overlooking the magnificent bridge, I feel proud for Shanghai's working class for having once again made a historical contribution. Under the leadership of the party's Central Committee with Comrade Jiang Zemin as its nucleus and under the effective command and with the meticulous organizational work of the Shanghai Municipal CPC Committee and government, the people of Shanghai, in carrying out the great undertaking of developing Pudong and invigorating Shanghai, set a new record every day, raise their work to a new level every month, and change Shanghai's face every year. Entrusted by and on behalf of General Secretary Jiang Zemin and Premier Li Peng, I hereby extend my warm congratulations and heartfelt thanks to the people of Shanghai and to all comrades taking part in the bridge's construction, especially the representatives of these outstanding comrades—meritorious builders of the bridge."

Zhu Rongji added: "Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, currently people across the country should seize the historical opportunity of deepening reform and quickening the pace of development to stride toward achieving the strategic goal of building a socialist market economy. Shanghai has won the support of people across the country and has become the center of worldwide attention for adhering to the principle of serving the whole country and opening its door to the whole world as well as for taking the lead in making reforms and opening up itself. I believe the historic task of developing Pudong and invigorating Shanghai definitely will be accomplished. Let the people of Shanghai create a more splendid tomorrow with their own hands."

Before the ceremony was held, Zhu Rongji cordially met with the representatives of the meritorious workers of

the bridge, expressing his thanks for their hard work. Five of the representatives cut the ribbon at the ceremony.

The bridge is 7,658 meters long, of which 1,172 meters make up the main bridge. The bridge's main span stands at 602 meters and the main tower is 208 meters high. The bridge's name "Yangpu Bridge," written by Comrade Deng Xiaoping, is inlaid in the main tower of the bridge and it dazzled under the sun. The bridge starts from Zhoujiazui Road of Yangpu District, which is one of Shanghai's major industrial areas, and runs eastward to Yanggao Road in the Pudong New Area. It is linked to the inner circular elevated road, which is under construction, making it the trunk road linking the circular road to the other side of the river. After the bridge is open to traffic, it will alleviate the city's traffic congestion.

Also attending the ceremony were Li Tieying, member of the CPC Central Committee Political Bureau and state councillor; Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee; and Song Jian, state councillor.

In his speech, Shanghai Mayor Huang Ju said: The Shanghai Municipal CPC Committee and government have decided to speed up the construction of the city's inner and outer circular roads and the supporting projects for these roads. We will strive to complete ahead of time—within 3-4 years—the framework of the metropolitan area's elevated traffic network and will develop necessary modern communications, energy, environmental protection, and other infrastructural facilities to lay a solid foundation for building a modern international city.

Official Discusses Rural Housing Project Plan

OW2710143293 Beijing XINHUA in English 1331 GMT 27 Oct 93

[Text] Suzhou, October 27 (XINHUA)—China is planning to launch a project to push forward the construction of housing in its rural areas, a senior official said here recently.

Deng Nan, vice-minister of the State Science and Technology Commission, revealed the plan at a national working conference on rural construction in Suzhou, in East China's Jiangsu Province.

Farmers in China have always viewed housing as the top priority in their life. It is estimated that every seven to eight years, Chinese farmers will give their houses a major facelift.

According to the Ministry of Construction, Chinese farmers have built more than 500 million sq m of floor space every year during the past decade.

About 86 million rural households, 43 percent of the total, have moved into better houses.

In 1992 Chinese farmers had a per capita housing area of 16.11 sq m.

In 1979, 40 percent of the newly-built buildings in the countryside were brick cottages and ten percent were multi-storey buildings. In 1992, more than 90 percent were multi-storey buildings.

In some coastal areas such as the Pearl River Delta, the Chang Jiang Delta and Shandong Peninsula, villas have come into being in the countryside.

Chinese farmers tend to design and build detached houses, which take up a great amount of farmland and other resources.

Over the past few years, the Chinese Government has geared up efforts to regularize the construction layout in the countryside.

According to the Ministry of Construction, construction in 35,231 towns, about 94.72 percent of the country's total, had been put under local government plans by the end of 1991.

The project will greatly lower costs in the countryside and reward Chinese farmers with more beautiful and comfortable houses, according to construction officials.

Report on Agriculture in Huang He Valley

OW2610071893 Beijing XINHUA in English 0650
GMT 26 Oct 93

[Text] Hefei, October 26 (XINHUA)—The Huang He Valley, known as "the cradle of Chinese culture" and notorious for its drought and flood disasters, is now seeing a vigorous irrigated agriculture.

Annually supplying some five billion kg of grain to other parts of China, the Huang He Valley is now one of the country's biggest producers of grain and cotton.

The Huang He, at 5,464 kilometers China's second longest river, runs through nine of the country's provinces and autonomous regions which suffer from insufficient rainfall.

The drought-stricken areas used to rely on a great amount of imported grain every year.

During some 30 years before 1978, the government distributed over nine million tons of grains to the northwest Shandong Province through which the river runs into the Bohai Sea.

To increase the yields of crops and cotton, the government has constructed complex diversion irrigation networks in recent years to draw water from the Huang He and its tributaries.

Guanzhong area in Shaanxi Province on the middle reaches of the Huang He has a long history of irrigated agriculture.

The provincial government has rebuilt the old irrigation canals and constructed new canals to carry water from the Weihe River, a tributary of the Huang He, to irrigate the drought-ridden Guanzhong area.

Now, there are 17 irrigation areas, each larger than 60,000-ha, in Hetao area on the upper reaches of the Huang He, Fenwei Basin on the middle reaches and in the north China plain on the lower reaches.

More than 100 diversion floodgates, siphon projects and pumping stations on the lower reaches of the river have benefited some 70 counties which expanded their irrigation land to over two million ha.

The per-ha output of grain and cotton in the irrigated areas has increased by 3,000 kg and 600 kg respectively.

Northwest Shandong has sold some 12 million tons of grain and eight million tons of cotton to the government between 1988 and 1992.

And the growth rate of its per-ha output of grain and cotton is 60 percent and 26 percent higher than the provincial average.

With the highest concentration of silt in the world, the Huang He used to break over its banks every three years and change course every ten years.

This is mainly owing to the world's largest loess plateau with the thickest soil and the most severe erosion on the upper and middle reaches of the river.

Every year about 1.6 billion tons of top soil from the plateau have been discharged into the river.

To curb the rampant river, the government has built eight large key water-control projects on the upper reaches which served as hydroelectric power stations as well.

Included are the Longyang, Qingtong, Liujia and Yanguo Gorges.

Dykes on the lower reaches have been reinforced with the help of a 4.5 billion yuan government fund.

In addition to the engineering measures, the government has undertaken biological measures to control water and soil erosion.

Farmers living on the loess plateau have been encouraged to build terraced fields on gentle slopes, and plant trees and grass on steep slopes.

At present the Huang He Valley has some four million ha of farmland, about eight million ha of forest and two million ha of grassland.

The silt discharged into the river above the Sanmeng Gorge has now been reduced by 250 million tons annually.

East Region

Anhui Procuratorial Organs Fight Economic Crimes

OW2410012093 Hefei ANHUI RIBAO in Chinese 3 Oct 93 p 1

[By reporter Liu Yaqun (0491 0068 5028): "Procuratorial Organs in Our Province Investigate and Deal With a Number of Economic Crimes"]

[Text] The battle against corruption has gained ground as procuratorial organs at all levels in our province have tightened law enforcement efforts; actively handled cases; and sternly punished graft, bribery, and other economic crimes. Statistics show that from January through August, procuratorial organs throughout the province accepted for consideration 2,315 cases involving various economic offenses, filed 1,316 of them for investigation and prosecution, completed investigations into 688 cases, and recouped more than 11.34 million yuan in direct economic losses for the state.

As they meted out harsh punishment perpetrators of graft, bribery, and other economic crimes, procuratorial organs at all levels in our province registered monthly increases in the numbers of cases accepted for consideration, cases filed, and cases involving 10,000 yuan or more. Of the 453 cases accepted for consideration in August, 227 were filed and 123 involved 10,000 yuan or more. Procuratorial organs also made new strides in handling major and important cases. From January through August, they investigated and dealt with 11 exceptionally large graft cases involving 100,000 yuan or more, 21 cases in which public funds worth 200,000 yuan or more were misappropriated, and two cases involving bribes ranging from 60,000 yuan to 200,000 yuan. The number of cases filed during that period was higher than those in the corresponding periods of previous years. Procuratorial organs also filed for investigation and prosecution five cases in which cadres at the county and section levels committed crimes. They also stepped up efforts to investigate and deal with personnel in administrative and law enforcement departments who violated the law and committed crimes. For instance, the Suixi County Procuratorate managed to solve six graft cases simultaneously. These cases involved Dai Jinxian, former director of the county industrial and commercial bureau and current secretary of its party branch; Jia Peiling, former deputy director of the county industrial and commercial bureau and current deputy secretary of its party branch; and Zhong Jiyao, deputy director of the county taxation bureau. Five of these cases were major ones involving 10,000 yuan or more. Procuratorial organs also intensified efforts to investigate and deal with financial departments which violated the law and committed crimes. In August alone, they filed for investigation and prosecution exceptionally large cases in which public funds of 200,000 yuan or more were misappropriated by Ma Xingye, an employee at the Fuli office of the Suxian Agricultural Bank; Wang Qingmin,

deputy director of the Maoyingzi branch of the Xiaoxian County Industrial and Commercial Bank; and Ren Shilong, director of the Xiangshan office of the Huaibei City Agricultural Bank. They also confiscated approximately 200,000 yuan in bribes taken by Xie Chunxiao, a clerk at the credit department of the provincial agricultural bank. They actively pursued cases in which judicial departments violated the law and committed crimes. For instance, the Guoyang County Procuratorate and the Baihu Procuratorate filed for investigation and prosecution cases in which Zhang Qianghong, deputy director of the Gaolu Police Substation under the Guoyang County Public Security Bureau, and Huang Shanyi, a member of the joint army-civilian defense unit attached to the police substation, accepted bribes, practiced favoritism, and committed irregularities; and in which Zhang Zuomin, a clerk at the grass-roots affairs section under the Baihu Reform-Through-Labor Administrative Bureau, embezzled public funds. Furthermore, as the battle against corruption intensified, 15 criminals across the province turned themselves in to procuratorial organs during the January-August period.

The provincial people's procuratorate recently made public nine major and important cases in which procuratorial organs at all levels had instituted public prosecution proceedings in court after completing investigations or in which procuratorial organs were continuing their investigations. These cases included a graft case involving Huang Xuehua, a clerk at the guesthouse attached to the Anhui Agricultural University Labor Service Company; a graft and fraud case involving Lu Keqiang, an accountant at the Shenzhen Anhui Joint Trade Development Company; a graft and embezzlement case involving Hu Guilan, an accountant at the Xiaoxian Civil Affairs Bureau; a graft case involving Huang Youdi, a salesman at the No. 1 Huainan City Radio Factory; a fraud case involving Qi Lianzhong, a physician at the Shouxian County Hospital Sports Medicine Department; a bribery case involving Fang Yuan-kang, deputy director of the Huainan City Cichang Hospital; a bribery case involving You Guohai, chief of the second religious affairs section of the provincial religious affairs administrative bureau; a bribery case involving Wang Wensheng, vice president of the provincial postal and telecommunications school, and Xia Qiuying, head of the school's business administration department and manager of Difu Economic Development Corporation; and a graft case involving Jin Ye, a cashier at the bank affiliated with the financial section of the Tunxi Commercial Building in Huangshi City.

Currently, procuratorial organs at all levels in our province are concentrating their efforts on overcoming difficulties as they investigate and deal with major and important cases. They are also intensifying their efforts to mete out severe punishment to corrupt elements.

Anhui Governor Discusses Current Situation*OW 2410021893 Hefei ANHUI RIBAO in Chinese 1 Oct 93 pp 1,3*

[Interview by ANHUI RIBAO reporter Qian Xiuyun (6929 4423 0061) with Anhui Governor Fu Xishou on the "eve of National Day"; place not given: "Governor Fu Xishou Accepts ANHUI RIBAO Reporter's Interview, Speaks at Length About Our Province's Economic Situation, and Sends National Day Greeting To All the People in the Province Through This Paper"; first paragraph is ANHUI RIBAO introduction]

[Text] On the eve of National Day, Governor Fu Xishou accepted our reporter's interview with pleasure. After sending a National Day greeting to all the people in the province, he replied to our reporter's questions and talked at length about the excellent situation of in-depth reform, opening up further to the outside world, and of developing our province's economy.

[Qian] Governor Fu, this year, the CPC Central Committee adopted a number of measures aimed at strengthening macroeconomic control. What is the momentum for economic development in our province? Would you please speak in this regard, as this is an issue of common concern?

[Fu] At present, our province's economic situation is quite good. Thanks to the whole-hearted efforts of all the people in our province, our province has maintained last year's development momentum. We have been keeping a close watch on the operation of the economy since the CPC Central Committee adopted the measures to readjust the macroeconomy. The economic growth in the last two months was slightly down. The industrial growth in August was down from about 30 percent to 28 percent from July, which I consider normal. Our province's industrial growth in the first eight months was 2.1 percent higher than that of the nation's average, ranking seventh in the nation's growth rate, and registering the fastest growth since the implementation of the policy of reform and opening up. Economic efficiency has also improved. So far this year, no major natural disasters have struck our province. We reaped a bumper harvest in grain and edible oil crops and we expect a bumper autumn grain harvest. Village and township enterprises continue a high-speed development, up 84.8 percent from the same period last year. Investment in fixed assets still maintained a strong growth momentum, registering a 58.9 percent growth over the same period last year, and achieving a relatively high rate of growth since the implementation of the policy of reform and opening up.

People's incomes rise with the development of the economy. Deducting the factor of price rises, per capita income of urban citizens registered a real growth of 16 percent in the first half of this year. Per capita wage of staff members and workers increased 17 percent. Farmers' per capita income, deducting the factor of price increases, registered a real growth of 4 percent. This year,

we have worked hard to help farmers increase their incomes. We forbid issuing "IOUs" to farmers and we control the farmers' burdens within the 5 percent limit. The overall situation so far is good; however, there are some localities which have not done enough in helping the farmers. We will keep working on it.

[Qian] Many people were worried about contradictions and prominent problems which cropped up in the economic life some time ago. Is there any change in that situation?

[Fu] As to the central authorities' adoption of macrocontrol measures, first, we sincerely support the move and resolutely implement those measures; second, we do not demand rigid uniformity and will solve problems in a seek-truth-from-facts manner; and third, we seize tightly new opportunities. There are two signs indicating that marked results have been scored. First, the financial situation has improved with increases in banking deposits—the amount of currency withdrawn from circulation has increased, the exchange rates have been stabilized, and the "evil ways" are blocked; as a result, unauthorized lending and wanton fund-raising activities are basically under control. A "correct path" has been opened up. The province's net increase in loans was 1.08 billion yuan in August—the month with the greatest increases of the year. Second, state revenues have picked up. In July and August, they exceeded 600 million yuan, reversing the situation of having monthly revenues of 400-500 million yuan in the first half of the year. Financial difficulties in organs at all levels have not been overcome yet and considerable efforts are needed.

Currently, pricing is a rather prominent problem. Compared with the national situation, our province's pricing level is below the average. For example, it ranked 16th in the country in January and dropped to 18th in July. However, the average retail price index of the January-July period reached 110.9 percent. There are many factors that affect pricing. For example, rapid increase in investment in fixed assets will cause inflation. Another factor is that, presently, collection of various fees is extremely wanton. This unhealthy practice must be stopped without fail. In rectifying wanton collection of fees, the provincial government has urged organs under the province to set a good example, to be serious in resolutely eliminating the phenomena of shielding faults and being irresolute when firmness is needed, and to score results by the end of the year. Related to this problem is the fact that governments, organs, and departments at all levels should step up the building of a clean government and anticorruption struggle. As to this task, the provincial party committee and government have made a specific arrangement recently; therefore, I am not going to go into detail about this matter here. One thing I would like to reiterate is that we welcome and accept the masses' supervision over government organs at all levels.

[Qian] There are three more months to go before the end of the year. Does the provincial government have any plans to arrange its tasks?

[Fu] I think the most fundamental thing is to persist in promoting development through reform. Practice has proved that a good situation comes from reform and sustained development still relies on reform. In reform, the provincial government will focus on four tasks in the near future: to accelerate transforming enterprises' operating mechanisms; to deepen the reform of the banking, financial, and investment systems; to cultivate a market system and step up construction of markets of all kinds; and to accelerate transforming government functions. I think the last one is the key. In that aspect, we selectively break down and define the functions of various departments and bureaus based on the requirements in building a market economy, and make adjustments if their functions are incompatible with the requirements.

Another thing is to promote development through opening up so that Anhui will stride into the world arena at a quicker pace. Marked results have been scored in this year's first eight months. As of the end of August, 797 new foreign-funded enterprises had been approved, with a contract volume of \$459 million in foreign capital, up 300 and 400 percent respectively over the same period last year. Not long ago, the provincial government organized a mission to Hong Kong to launch economic and trade activities, scoring great results. This shows that our province's attraction to foreign investors is getting greater. In the future, we still need to further improve our investment climate, raise our service level, attach equal importance to quantity and effect, and improve ratio of successful investment.

[Qian] This is the last question. Can you estimate the whole year's economic development?

[Fu] In the first half of the year, our province has scored marked results in implementing the central authorities' macrocontrol measures. We should continue our efforts, pay attention to new problems and difficulties, and conduct studies and make a counter policy early on. I think if it is regulated appropriately in every aspect and measures of "following the right path" are implemented thoroughly, this year should be a another year of rapid growth. I am fully confident of this.

The reporter listened to the governor speaking on gratifying achievements scored in our province's economic construction. He also listened to his analysis of difficulties facing the province and problems that must be solved in the course of advance. The governor did not show off while speaking of achievements, and when he talked about difficulties, he was not discouraged, being practical and realistic. This hardworking and practical workstyle and a self-confident and -improving spirit deeply impressed the reporter. The reporter firmly believes that Anhui will score still greater successes in reform, opening up, and economic construction.

Fujian Private Economy Sees 'Rapid Development'
*OW2410080593 Beijing XINHUA in English 0720
GMT 24 Oct 93*

[Text] Fuzhou, October 24 (XINHUA)—Fujian Province has maintained rapid development of a private economy since the beginning of this year.

According to the provincial industrial and commercial administration, the province licensed 492,900 private enterprises and self-employed households by the end of September, up 14.4 percent over last year.

Among them are 480,000 self-employed households with registered capital of 3.3 billion yuan and more than 780,000 workers. This sector reached a record production of 3.99 billion yuan and a retail sales volume of 7.36 billion yuan over past nine months, respective rises of 67.5 percent and 46.8 percent over the same period of last year.

Meanwhile, the province's 10,600 private enterprises, with 168,000 employees and registered capital totaling two billion yuan, turned out products valued at 925 million yuan, an increase of 14.5 percent over the corresponding period of last year.

An official in charge of Fujian's economy noted that private limited companies now number 2,000.

Limited companies represent a 90 percent share of private enterprises that were licensed by the industrial and commercial administration in Fuzhou, capital of the province, during the first six months of this year, he added.

The official said that private sectors have extended their business to trade in steel, wood, Chinese herbal medicines, coal, jewelry, advertising, real estate and architecture.

In addition, the growth rate of the private sector in mountainous regions has topped that in coastal areas, said the official.

A survey shows that in the first half of the year, 25,900 self-employed households and private enterprises had been approved in the four mountainous counties of Nanxiang, Sanming, Ningde and Longyan, accounting for 79 percent of the province's total.

Furthermore, the export volume of the private sector surpassed 250 million yuan (42 million U.S. dollars) in the January-June period, up 28.6 from the same period of last year.

Economic experts attributed the province's booming private economy to the joint efforts of provincial and local governments.

Last year saw the provincial government issue regulations on accelerating the development of the private

economy. In response, the local governments are carrying out spot services for private enterprises and have simplified licensing formalities.

The provincial government is reported to have drawn up a plan for the private sectors' registered capital to exceed seven billion yuan by 1995.

Jiangsu Circular Urges Reducing Peasant Burdens

*OW2410220493 Nanjing XINHUA RIBAO in Chinese
30 Sep 93 pp 1, 2*

[“Circular of the General Offices of the Provincial CPC Committee and Government on Screening Peasant Burdens and Views on Handling Them”]

[Text] **To the city and county party committees; the city and county governments; the commissions and departments under the provincial party committee; the various provincial commissions, offices, departments, and bureaus; and departments directly under the provincial government:**

With regard to reducing and controlling peasant burdens, the CPC Central Committee and State Council have issued a set of important instructions. The provincial party committee and government have also taken steps. In line with the requirements set by the central and provincial authorities, provincial departments and units have studied documents dealing with the peasant burdens and made a thorough review of fees. Relevant departments have made an earnest effort to screen the fees. With the approval of the provincial party committee and government, this circular about screening and views on handling fees collected from peasants by the provincial departments is hereby issued:

1. Forty-nine types of fees to be abolished:

1. Fees for using rural homesteads (Land Administration Bureau); 2. fees for using rural homesteads of larger than authorized sizes (illegal occupation of land should be handled in accordance with relevant regulations) (Land Administration Bureau); 3. the part of land registration fees collected in rural areas (including those paid by collective economic units, rural households, and state-owned farms; the same as below) (Land Administration Bureau); 4. the part of fees collected in rural areas for preventing offenses against public order (Public Security Department); 5. funds raised in rural areas for the China Girls' College (the Women's Federation); 6. funds for improving water in rural areas (Department of Public Health); 7. funds for toilet improvements in rural areas (Department of public health); 8. funds for rodent control in rural areas (Department of Public Health); 9. fees for boat management in townships and towns (Department of Communications); 10. funds for educational development in rural areas. Except for funds for renovating school buildings that are truly unsafe (procedures for fund-raising for this purpose should be formulated separately), all other fees must be suspended or abolished (Education Commission); 11. funds for developing water

resources in counties and townships (Department of Water Resources); 12. fees for water conservancy project repairs and maintenance (called “fees for management of water facilities” in Jiangsu) (Department of Water Resources); 13. fees for planning, development, management of villages and townships (Construction Commission); 14. the portion of fees collected in rural areas for housing ownership registration (Department of Construction); 15. maintenance and administration fees for township and town power management organs (called “fees for the maintenance and management of low-voltage power grids” in Jiangsu) (Department of Power Industry); 16. fees for farm machinery management (called “fees for farm machinery management organs at county and township levels” in Jiangsu (Farm Machinery Bureau) 17. fees for forestry management (Department of Agriculture and Forestry) 18. fees for renewing forestry resources (Department of Agriculture and Forestry); 19. the portion of afforestation fees collected in rural areas (Greening Commission) 20. fees for the management of collectively owned and independently owned mines in townships and towns (Department of geology and Mineral Resources); 21. The portion of fees collected from boats for agricultural production and for maintaining shipping lanes in inland rivers (collected by Department of Communications); 22. the portion of fees collected from boats for agricultural production and for maintaining shipping lanes in the Chang Jiang (collected by Department of Communications on behalf of other authorities); 23. fees for fishing boats and fishing port management (Bureau of Aquatic Products); 24. fees for maintaining radio networks for areas below townships and towns (fees for radio reception through loudspeakers should be set separately) (Department of Radio and Television); 25. fees for additional physical education examinations for middle schools graduates (Education Commission); 26. the portion of fees for unified senior high school entrance examinations to be submitted to higher levels and fees for the examination certificate (Education Commission); 27. fees for papers certifying completion of obligatory education (Education Commission); 28. fees for repeating the year's work for students failing to go up to the next grade (Education Commission); 29. fees for students' make-up examinations (Education Commission); 30. fees for student uniforms and musical instruments (Education Commission); 31. fees for safety publicity campaigns collected from rural tractor owners (Department of Public Security, Farm Machinery Bureau); 32. mooring fees collected from boats for agricultural production (Department of Public Security); 33. fees for joint prevention of offenses against public order in rivers and lakes collected from boats for agricultural and fishing production (Department of Public Security); 34. fees collected from lessors of private quarters for joint prevention of offenses against public order (Department of Public Security); 35. fees for road construction in cities and countryside (Department of Communications); 36. fees for vessel and port administration collected from boats for agricultural production (Department of Communications); 37. fees for port freight

administration collected from peasants using vessels to ship goods (Department of Communications); 38. fees for rural disease prevention and health care (Department of Public Health); 39. earnest money for hygienic rural toilet facilities (Department of Public Health); 40. fundraising for construction of rural public health, epidemic prevention, and maternity and child care facilities (Department of Public Health); 41. fees for the health care of pregnant women and children (Department of Public Health); 42. the portion of fees collected in rural areas for land ownership and for change in the use of lands (Land Administration Bureau); 43. fees for the cost of printing "certificates of election" collected from members of village committees (Department of Civil Affairs); 44. fees for the "certificate of payments of rural old-age pensions" (Department of Civil Affairs); 45. fees for the cost of printing the "certificate of cremation" (Department of Civil Affairs); 46. fees for supporting facilities of township infrastructure (Construction Commission); 47. funds for rural energy development (cash deposits for energy in rural areas) (Department of Agriculture and Forestry); 48. unified fees for silkworm disease control expenses (silk company); and 49. license fee for rural workers seeking temporary employment in cities (Department of Labor).

Provisions of documents relevant to fees which the state has decreed the abolition of were nullified when the (1993) No. 10 Document issued by the Central Committee General Office went into effect, and all provisions of documents relevant to fees which the provincial government has decreed the abolition of will be nullified when this circular goes into effect. Although the provincial government did not decree the abolition of some of the 37 types of fees that the Central Committee General Office had decreed to abolish, those fees which are collected in cities, counties, townships (and towns) must be abolished. All types of fees which subprovincial authorities have imposed on peasants must be abolished.

2. The collection of the following seven types of fees has to be deferred:

1. The part of water resource fees collected in rural areas (Department of Water Conservancy);
2. The part of fees collected in rural areas for maintaining and managing river courses (Department of Water Conservancy);
3. The part of fees collected from peasants for the foundation of people's education (Education Commission);
4. The part of fees collected from peasants for the nongovernment schoolteachers retirement fund (Education Commission);
5. The part of fees collected from peasants for the nongovernment schoolteachers foundation (Education Commission);
6. Fees collected from collective and independent mines for the environmental preservation fund (Geological and Mining Bureau); and
7. The fund for fishing port construction (Aquatic Products Bureau).

The collection of water resource fees and fees for maintaining and managing river courses should be deferred for five years. In accordance with the State Council's "Regulations Governing Peasants Fees and Labor Services," foundations established in rural areas must be reported to the State Council's fiscal department, departments supervising peasant burdens, and the other departments concerned for their approval. Major fees-collection projects must have the State Council's approval. The collection of fees must be deferred prior to approval being received.

3. The collection of the following 30 types of fees may continue:

1. Water fees for water conservancy projects (Water Conservancy Department);
2. Fees for the management of sand excavation from river courses (Water Conservancy Department);
3. Fees for health supervision and disease control (Public Health Department);
4. Fees for residents' identification cards (including identification cards for temporary residents) (Public Security Department);
5. Fees for traffic control (Public Security Department);
6. Fees for the cost of household registration documents (known in Jiangsu as fees for public security household identification and fees for household identification) (Public Security Department);
7. Fees for handling major and serious traffic accidents (Public Security Department);
8. Fees for the registration of seagoing boating households and boaters' identification cards (formerly known in Jiangsu as identification card fees for boaters and boats) (Public Security Department);
9. Fees for water-borne transportation management (Communications Department);
10. Fees for labor contract certification (Labor Bureau);
11. Fees for labor dispute arbitration (Labor Bureau);
12. Fees for occupational safety and health inspection (Labor Bureau);
13. Fees for mines' safety and health inspection (Labor Bureau);
14. Fees for above-the-limit pollutant discharges (Environmental Protection Bureau);
15. Fees for handling pollutant discharges (Environmental Protection Bureau);
16. Fees for fishing boat registration (Aquatic Product Bureau);
17. Fees for testing and certifying crews of ocean-going fishing vessels (Aquatic Product Bureau);
18. Fees for domestic plant quarantine (Agriculture and Forestry Department);
19. Fees for forest plant quarantine (Agriculture and Forestry Department);
20. Fees for forestry management certificates (Agriculture and Forestry Department);
21. Fees for woodland compensation (Agriculture and Forestry Department);

22. Fees for testing crop seeds and fees for licensing production operations (Agriculture and Forestry Department);
23. Fees for the woodland nurturing fund (Agriculture and Forestry Department);
24. Fees for township and town legal services (Judicial Department);
25. Fees for the flood-control fund (Financial Department);
26. Fees for the registration of mineral products of collective and independent mines (Geological and Mining Bureau);
27. Fees for the management of seagoing vessels (Public Security Department);
28. Fees for the major local communications project fund (Communications Department);
29. Fees for the high-grade highway construction fund (Communications Department); and
30. Fees for the management of independent construction projects in townships and towns (Construction Engineering Bureau).

Relevant state and provincial regulations governing the collection of the aforementioned fees must be strictly followed. Unauthorized acts of increasing the amounts, broadening the collection scope, or changing the payers are strictly forbidden. Special funds set aside from the fees collected must not be used other than for their intended purposes. All fees collected on a trial basis in designated rural areas must be abolished. All types of collectible administrative fees must be abolished, except those which have to be delivered to the state according to state and provincial regulations. Fees for old-age pensions in rural areas, for various types of insurance, for subscribing to newspapers and magazines, for undertaking contracts in rural areas, and for notarizing food purchasing and marketing contracts, as well as for various kinds of services in the agricultural sector—such as tractor plowing, expertise needed in aquatic production, hydrological and meteorological information, the application of fertilizer, and the prevention of livestock diseases (including contracts for providing technical services, the transfer of technical expertise, and consultations)—should be collected on a voluntary basis. Forcible collection must be firmly corrected and prevented. Money needed for Project Hope, the children's welfare fund, and the welfare fund for handicapped people should be raised from among the masses on the basis of voluntary contributions, and forcible solicitation must be firmly stopped. The solicitation of contributions, in cash or in kind, from middle and primary school students in rural areas in the name of launching work-study programs must be prohibited. It is strictly forbidden to impose additional charges on fees collected for marriage registration, service and miscellaneous fees in middle and primary schools, rural household records management, the registration of independent businesses, planned parenthood services, legal services in townships and towns, electrical and mechanical drainage and irrigation services, and various other paid services.

4. The collection of the following 25 types of fees has to be revised:

1. Fees for marriage registration (Civil Affairs Department);
2. Fees for highway maintenance (Communications Departments);
3. Fees for fishing boat inspection (Aquatic Product Bureau);
4. Regular fees for farm machinery management (Farm Machinery Bureau);
5. Fees for the management of township and town enterprises (Township and Town Enterprise Bureau);
6. Fees for land management, or fees for the management of requisitioned land (Land Management Bureau);
7. Fees for the management of highway transportation (Business Bureau);
8. Fees for the management of country fair trade markets (Business Bureau);
9. Fees for the management of independent businesses (Business Bureau);
10. Fees for the registration of independent businesses (Business Bureau);
11. Fees for protecting the growth of fishery resources (Aquatic Product Bureau);
12. Fees for the quarantine of livestock and livestock products (Agriculture and Forestry Bureau);
13. Fees for preventing diseases in livestock and livestock products (Agriculture and Forestry Bureau);
14. Fees for controlling unplanned childbirth (Planned Parenthood Committee);
15. Fees for children's planned immunity vaccination (Public Health Department);
16. Fees for women's and children's health care (Public Health Department);
17. Fees for protecting the growth of aquatic resources (Aquatic Product Bureau);
18. Fees for protecting the growth of marine fisheries resources (Aquatic Product Bureau);
19. Fees for the costs of assorted fisheries certificates (Aquatic Product Bureau);
20. Fees for land nonuse (Land Administration);
21. Security deposit for land reclamation (Land Administration);
22. Fees for the management of enterprises operated by farm machinery stations (Farm Machinery Bureau);
23. Fees for the management of farm machinery operations (Farm Machinery Bureau);
24. Fees for the pig development fund; and
25. Fees, collected from rural households building their own houses, for major agricultural construction projects (Planning and Economic Commission).

Items 1 to 14, to be revised by the central authorities, shall be implemented according to new regulations after they are confirmed by a joint document of the State Planning Commission, the Finance Ministry, and the Ministry of Agriculture. Items 15 to 25 are to be revised by the provincial authorities. The relevant competent departments of the province must submit revision suggestions pertaining to the amount of fees to be collected.

from whom the fees are to be collected, fee standards, the purpose of collecting fees, and fee collection and management methods before the end of November. The revision suggestions will be jointly examined by the provincial party committee's agricultural and industrial department, its discipline inspection commission, the provincial supervision department, the provincial price bureau, the provincial planning and economic commission, the provincial finance department, and the provincial bureau of legal affairs. After being examined and endorsed by the provincial leading group in charge of helping impoverished areas and reducing peasant burdens, the suggestions must be submitted to the provincial people's government for approval. The revised types of fees shall be promulgated for implementation under public supervision. Before the revised types of fees are promulgated, the original standard fees shall be collected on a temporary basis so as to not affect operations.

Except for the four categories of fees listed above, all quota-fulfilling activities launched in rural areas that require peasants to donate money, materials, and labor must be canceled irrespective of which department has ordered such activities. Document No. 10 (1993) promulgated by the General Office of the Central Committee pointed out that efforts must be made to rectify the problems and erroneous practices in connection with the collection and management of fees from peasants. The stipulations in this circular shall be adhered to if the documents and provisions on reducing peasant burdens issued prior to this circular contradict its stipulations. The work of screening and approving documents and fees involving peasant burdens, which has not been completed, shall be continued by the provincial party committee's agricultural and industrial department, its discipline inspection commission, the provincial supervision department, the provincial price bureau, the provincial planning and economic commission, the provincial finance department, and the provincial bureau of legal affairs. Henceforth, new fees involving peasant burden will no longer be collected in principle. However, if new fees are to be levied, they must be examined jointly by the provincial party committee's agricultural and industrial department, the provincial planning and economic commission, the provincial finance department, and the provincial price bureau. After being examined and endorsed by the provincial leading group in charge of helping impoverished areas and reducing peasant burdens, they must be submitted to the provincial people's government for approval. All new fees which do not undergo this procedure shall be null and void.

Party committees and governments at all levels must resolutely implement the provisions of the Agriculture Law, the Regulations on Expenses Undertaken by Peasants and the Administration of Labor Affairs, Document No. 10 (1993) issued by the General Office of the Central Committee, Document No. 7 (1993) issued by Jiangsu, and this circular. The provincial, city, and county authorities, as well as departments and units, must take the general interest into account and do a good job of

examining and approving documents and fees involving peasant burdens. Peasant burden supervisory and administrative departments and other relevant departments should thoroughly carry out their specific duties. The principal party and government leaders must personally attend to this matter. In addition, leading comrades of relevant departments must also devote themselves to this matter. They must not leave any loopholes; they must not do their work perfunctorily; still less, they must not procrastinate or collect fees in disguised forms under any pretexts.

The provincial party committee and government should organize teams to check the implementation by various departments of the documents mentioned above. Though sampling, the inspection teams should ascertain the peasant burdens and whether the provision—the accumulation and retention of collective funds must not exceed 5 percent of the average net income of the peasants in the previous year—as stipulated in the Regulation on Expenses Undertaken by Peasants and the Administration of Labor Affairs is implemented. In conjunction with this survey, organizations at all levels must identify both positive and negative examples, sum up the experiences of the departments and areas which have conscientiously adopted effective measures to reduce peasant burdens in accordance with the regulation, and actively spread and commend good experiences. Those departments and areas that feigned compliance but refused to act according to the regulation must be properly punished, and their leaders must be made accountable for their responsibility if the offense is a serious one. We shall not be indulgent toward wrongdoing.

All localities should strengthen propaganda and education regarding the reduction of peasant burdens so that the people will understand the policies and regulations of the party Central Committee, the State Council, the provincial party committee, and the provincial government on reducing peasant burdens. At the same time, all localities should conduct ideological work among peasants and grass-roots cadres. They should advise the peasants to pay fees according to the law to ensure that there will be funds needed for the development of production and social undertakings.

All localities and departments must ensure success in this work to show that the party and the people's government care for the peasants and protect their interests, and to enhance their enthusiasm for production. The relevant provincial departments, city party committees, and city governments must submit a written report to the provincial party committee and government before the end of November indicating concrete measures taken to implement Document No. 10 of the Central Committee and this circular.

Shandong Sends 29 Teams To Inspect Corruption

SK2710055493 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 25 Oct 93

[Text] Twenty nine teams in charge of inspecting anti-corruption work were dispatched by the provincial party committee to their assigned localities on 25 October. Thus, the province's mass inspection over anticorruption work has been carried out in an overall way.

In order to have the province's struggle against corruption develop in depth, the provincial party committee has decided to select more than 80 cadres at department and section levels from the 14 departments under the provincial party committee, the provincial discipline inspection commission, the provincial people's congress standing committee, the provincial people's government, the provincial Chinese People's Political Consultative Conference committee, the provincial higher people's court, and the provincial people's procuratorate. It has also decided to organize these cadres into 29 inspection teams to carry out extensive inspections over the struggle against corruption and the work of fostering administrative honesty and party style in 17 cities and prefectures in the province as well as among more than 60 organizational departments so as to ensure marked achievements scored in the struggle against corruption every year.

Focal points in the mass inspection are as follows: 1) Inspection will be carried out among leading cadres at or above the county- section level in party and government organs at all levels over the basic progress in building administrative honesty and conducting self discipline. 2) Inspection will be carried out over appalling and serious cases, the work of dealing blows at smuggling and trafficking in smuggled goods, and the work of punishing corrupt elements. 3) Inspection will be carried out over measures adopted for correcting malpractices cropping up in several aspects, for which the masses have lodged the strongest complaint, and over the results scored in correcting and preventing the malpractice. Inspection will be also carried out one by one over the results scored in emphatically consolidating the eight problems pointed out by the provincial party committee. 4) During the inspection, the teams will determine good examples of experience and methods scored in upholding the principle of building material and spiritual civilizations simultaneously and in correctly dealing with the relationship between the struggle against corruption as well as reform, opening up, and economic construction. 5) During the inspection, the teams will investigate the economic problems according to symptoms, tendencies, and popular nature. They will also extensively solicit opinions and demands from various localities and departments on the struggle against corruption in the next period.

The provincial party committee has attached great importance to mass inspection and urged members of these teams to strictly grasp the demarcation line among various policies, to carry out their work deeply and

painstakingly, to earnestly listen to the briefings given by various localities and departments, and to extensively solicit opinions from various social circles. These teams should uphold the high standard of their work, impose strict demands on themselves, and commend well-inspected units that deserve to be commended and criticize those that deserve to be criticized. In particular, these teams should help units that are backward in this regard by pointing out their key problems and encouraging their strong points. They should truly play their supervisory and guiding role through the inspection and score marked results in the province's struggle against corruption.

Shandong's Qingdao Reconstructing Port Facilities

OW2610133193 Beijing XINHUA in English 1307
GMT 26 Oct 93

[Text] Qingdao, October 26 (XINHUA)—Foreign funds will be used to expand Qingdao port, in Qingdao city, Shandong Province.

The port is the fourth largest in the country, and the extension is aimed to make it a modern port hub and to increase its annual cargo handling capacity to 100 million tons.

Situated in Jiaozhou Bay on Shandong Peninsula, Qingdao port is a deep-water harbor. The handling capacity of the old harbor could not cope with the rapid development of exports and imports.

So the authorities decided to take advantage of Japanese Government loans amounting to 20 billion Japanese yen to undertake an expansion project in Qianwan harbor.

The first phase of the project, started six years ago, was to start building six deep-water berths.

The construction of four berths has been completed and the other two are due to be finished by the end of this year.

The six berths will add 17 million tons of handling capacity to Qingdao port.

The second phase of the project will start in January, involving construction of another six deep-water berths and two container harbors.

The total investment in the second phase amounts to 1 billion yuan from the Japanese loans.

Qingdao port is cooperating with Iscor Co. Ltd of South Africa which will provide 10 million U.S. dollars to reconstruct the ore harbor at Qianwan.

Now the annual handling capacity of Qingdao port has reached 68 million tons and it has three container harbors and special harbors for coal, oil and ore.

Qingdao port has business exchanges with 450 ports in 130 countries and areas in the world.

Shanghai People's Congress Standing Committee Holds Session

OW2610222793 Shanghai People's Radio Network in Mandarin 1000 GMT 22 Oct 93

[From the "News and Weather" program]

[Text] The fifth meeting of the 10th Shanghai Municipal People's Congress Standing Committee successfully ended today. The Procedures for Implementing the Wildlife Animal Protection Law in Shanghai and the Regulations on Handling People's Letters and Visits were examined and adopted at the meeting. The aforementioned laws and regulations, respectively, will take effect on 1 January 1994 and 15 December 1993.

Ye Gongqi and Gu Nianzu, respectively chairman and vice chairman of the Shanghai Municipal People's Congress, presided over the meeting.

The Rules for Members of the Standing Committee of the Shanghai Municipal People's Congress and decisions on personnel appointments and removals were also examined and passed at the meeting. After a vote was taken, Qian Fuxing, deputy secretary general of the standing committee of the municipal committee, was appointed concurrently director of the legal system office of the municipal people's congress standing committee, and Qi Qi was appointed deputy procurator general of the municipal people's procuratorate.

Central-South Region

Joint-Stock Systems Emerging in Rural Guangdong

OW2310023493 Beijing XINHUA in English 0220 GMT 23 Oct 93

[Text] Guangzhou, October 23 (XINHUA)—More and more joint-stock enterprises have recently emerged in the rural areas of south China's Guangdong Province.

Statistics show that of at least 100,000 township enterprises in the province to be based on the joint stock system, about 30,000 have now become sizeable.

To meet the demands of China's socialist market economy, different forms of stock systems have been established in Guangdong including share-holding by the state, collectives, individual and foreign firms, or combinations of these systems.

The spread of the share-holding system has revitalized the rural economy in the province. For instance, a total of some 1.4 billion yuan was raised through share-holding by township enterprises in western Guangdong's Zhaoqing city last year.

The city also had revenues totalling 10.1 billion yuan in 1992, double that of 1991.

In addition to industrial enterprises, 600 other enterprises producing farm products were established and at least 940 hectares of farmland was contracted out.

This has restructured patchwork farming into more specialized divisions.

Experts involved in this sector said the implementation of the joint stock system in rural areas will eventually accelerate China's agricultural modernization.

Guangzhou's Improved Economy Fosters Art

OW2410032893 Beijing XINHUA in English 0303 GMT 24 Oct 93

[Text] Guangzhou, October 24 (XINHUA)—As the economy of Guangzhou, the capital of south China's Guangdong Province, strides forward at an accelerated pace, an upsurge in the campaign to foster literary and artistic endeavors is in the making.

"We should take the responsibility of transforming Guangzhou into a famous international cultural city", said Yi Ni, a young woman writer based in Guangzhou.

Renowned figures from cultural circles in the province and Hong Kong held a cultural salon here recently to help develop local culture.

In 1984, Guangdong took the lead in holding a provincial-level art festival in China.

Influenced by Hong Kong popular culture, local pop music has been developing rapidly. Some young Cantonese pop singers have gained the ears of listeners throughout the mainland and Hong Kong.

In the meantime, more and more people have shown interest in classical music.

To expand the field, domestic and overseas enterprises have donated large sums of money to support literary and art circles.

In addition, the provincial government has decided to give 200 yuan (about 35 U.S. dollars) per month to each of 10 young authors who have made brilliant achievements in their respective fields.

According to official sources, Guangzhou will host a Chinese art fair sponsored by the Chinese ministry of culture in late November.

Guangxi Becomes 'Important' Livestock Export Base

OW2410005293 Beijing XINHUA in English 0026 GMT 24 Oct 93

[Text] Nanning, October 24 (XINHUA)—South China's Guangxi Zhuang Autonomous Region has become an important livestock export base in south China, officials at the local animal husbandry department said here recently.

Statistics show the region exported 1.38 billion yuan worth of livestock to Hong Kong, Macao and areas in south China in the first nine months of this year, including one million live pigs and 20 million poultry items.

In the past, with poor animal husbandry and an under-developed rural economy, most of the region's meat products were imported from other areas of the country.

Since the policies of reform and opening to the outside world were initiated in the late 1970's, close attention has been paid to the development of this sector, with an increasing proportion of state investment in breeding livestock.

Experimental livestock farms were established to breed fine varieties of pigs and beef cattle. Preferential policies were also passed to develop husbandry.

Thanks to the good policies and joint efforts made by local governments at all levels, some poverty-stricken counties have developed rapidly in farming and livestock.

In Lipu County, one of the region's livestock production bases, husbandry products were valued at 158 million yuan last year, or 43.1 percent of its total revenue in agriculture.

The region also has made efforts to improve quality and efficiency in domestic animal raising. It has imported dozens of varieties of animals and poultry from abroad over the past years.

The rapid development of the region's livestock sector has been attributed to painstaking scientific research and popularization of breeding techniques.

About one million technicians in farming and animal husbandry have been trained.

Guangxi Jul-Sep Economic Situation Reported

HK2510063593 Nanning Guangxi People's Radio
Network in Mandarin 2300 GMT 20 Oct 93

[Excerpts] After entering the third quarter of this year, Guangxi began conscientiously implementing a series of measures mapped out by the CPC Central Committee and the State Council for enhancing macroeconomic regulation and control, with the result that the region has successfully maintained relatively rapid economic growth. [passage omitted]

According to the Guangxi Autonomous Regional Statistics Bureau, in the July-September period, the region's total domestic output value topped 49.7 billion yuan, representing a 21 percent increase—as calculated at comparable prices—over the corresponding period of last year, of which the region's primary industrial output value, secondary industrial output value, and tertiary industrial output value witnessed a 9 percent increase, a

41 percent increase, and a 10 percent increase respectively over the same period last year.

The region's rapid economic growth in the July-September period was seen primarily in the following areas:

1. The region's rural economy witnessed steady growth while the region's township and town enterprises developed rapidly.

The region's total summer grain output topped 8.157 million tons, up 2.8 percent over the same period last year, while the region's total agricultural output value reached 22.1 billion yuan, up 9.4 percent over the same period last year. The total income of the region's township and town enterprises topped 47.899 billion yuan, up by 186 percent over the same period last year, while the total output value of the region's township and town enterprises reached 44.565 billion yuan, up 183 percent over the corresponding period last year.

2. The profits earned and taxes paid by the region's township and town enterprises witnessed a 170 percent increase and a 110 percent increase respectively as compared with the same period last year. [passage omitted]

3. The region's industrial growth slowed down a bit, with the result that the region's industrial production and industrial marketing became basically compatible with one another.

In the July-September period, the total industrial output value attained at and above the township level across the region topped 49.691 billion yuan, representing 24.9 percent growth over the corresponding period last year. [passage omitted]

4. The region's fixed assets investment growth slowed down, with the result that the region invested slightly more in various key projects. In the July-September period, the total amount of fixed assets investment made by state-owned units across the region dropped by 15 percent as compared with the all-time high attained in the January-May period.

5. The region sped up its pace of opening up to the outside world and made considerable headway in the area of foreign economic and trade cooperation. In the July-September period, the total accumulated regional foreign trade volume registered a 14.4 percent growth as compared with the same period last year, of which the total regional import volume rose by 35.9 percent. The actual amount of foreign capital used by the region registered a 590 percent growth over the same period last year.

6. The region's financial revenue maintained a sustained growth level. In the July-September period, the region's local financial revenue registered 20.8 percent growth over the same period last year. The region's total amount of bank savings by the end of September registered 24.6 percent growth over the end last year.

7. The income of region's urban and rural residents maintained a continued increase. In the July-September period, the total amount of wages paid to the region's staff and workers rose by 6.3 percent in absolute terms, while the per capita actual cash income of the region's peasants rose by 6.43 percent compared with the corresponding period last year. [passage omitted]

8. The region's urban and rural markets remained brisk, while group consumption throughout the region decreased.

Correction to Item on Anticorruption Drive Efforts
HK2810061293

The following correction pertains to the item headlined "Hainan Reports Efforts in Anticorruption Drive," published in the Central-South Region section of the 27 October China DAILY REPORT, page 42:

Page 42, column one, make headline of item read: Henan Reports Efforts in Anticorruption Drive (correcting province)

Same column, make sourceline of item read: Zhengzhou HENAN RIBAO in Chinese 14 Oct 93 p 1 (correcting name and city of publication of paper)

Hubei Continues Work on Three Gorges Resettlement

OW2510170293 Beijing XINHUA in English 1515
GMT 25 Oct 93

[Text] Wuhan, October 25 (XINHUA)—A company was set up here today to provide production and living materials for resettlement, disaster relief and helping the poor in the Three Gorges Dam project.

The Three Gorges project, one of the world's biggest waterworks, is to be built on the upper reaches of the Chang Jiang. Peasants who live in the areas around the dam that will be flooded have to be resettled.

The Hubei company under Chinese welfare enterprises, based in Wuhan, the capital of the central Hubei Province, will enjoy preferential treatment in terms of tax payments, importing, exporting and other areas, according to Yan Mingfu, vice minister of civil affairs.

Wei Mingzhen, chief manager of the company, said that the firm will receive a donation of 800 vehicles. It will also process 50,000 tons of crude oil and provide steel, coal, cement and other building materials for the Three Gorges resettlement program in 1994.

Wei said that he welcomes foreign businessmen to invest in the company.

North Region

Beijing Begins To Regulate Entertainment Industry

OW2710130993 Beijing XINHUA in English 1242
GMT 27 Oct 93

[Text] Beijing, October 27 (XINHUA)—Beijing has begun to tighten the control over the cultural and entertainment market so that it will develop on the right track.

According to a set of new regulations made public by the Beijing Municipal Government, the city will ban entertaining programs that violate China's Constitution or disseminate feudal superstitious ideas, murder and violence, pornography and other subjects harmful to the body and mind of the people.

Also banned are gambling and prostitution, whether in places of entertainment or in the name of entertainment.

Violators will face severe punishment ranging from closure of places of business to confiscation of illegal income and property or heavy fines.

Statistics show that by the end of last year, Beijing had established 148 dance halls and 239 karaoke halls. Billiards halls and other cultural and entertainment facilities were also mushrooming in the city.

While the entertainment facilities have enlivened the cultural life of the citizens of the Chinese capital, some of the profit-oriented entertainment facilities have been used as gambling dens, brothels and for showing pornographic videotapes and providing sex services. Video games have been inserted with pornographic shots to corrupt young games lovers.

In the past there were no such regulations and the promulgation of this set of regulations has provided the legal basis for cracking down on improper use of entertainment facilities.

Hebei's Cheng Weigao Views Invention Exhibition

SK2710042393 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 26 Oct 93

[Text] On the afternoon of 26 October, Cheng Weigao, secretary of the provincial party committee, went to the provincial museum's exhibition hall, where the seventh national invention exhibition was being held, to watch with great interest the excellent items and exhibits of Hebei Province, Nanjing city, Zhuhai city, and a dozen of other provinces.

At the exhibition room of the Baoding city Cheng Gang's laboratory, Cheng Weigao carefully listened to the introduction given by Cheng Gang, a young inventor, and asked him about the detailed situation of this exhibition. When he was informed that Cheng Gang laboratory was only a local people-run scientific research unit composed of only a dozen staff members and workers, Cheng

Weigao repeatedly praised: Good; scientific research units run by the local people are full of vitality and motivation. Whenever he went, Cheng Weigao carefully listened to reports and inquired about the situation in detail.

At the VIP reception room of the provincial museum, Cheng Weigao made a brief speech to journalists visiting the exhibition. He said: In Hebei, there are quite a few creations and inventions, but only a few of them have been developed and utilized. This not only reveals that the strength of Hebei's economic development is relatively weak, but also reveals that, what is more important, Hebei's sense of science and technology is not strong enough. To readjust our economic structure, to increase our economic efficiency, and to build Hebei into an economically strong province, we should, what is most important and critical, depend on scientific and technological progress to expand our scientific, technological, and economic strength. Governments at all levels must adopt measures to encourage enterprises to vigorously make investment in science and technology and encourage enterprises to closely cooperate with scientific research units to emphatically grasp the transformation and development of scientific and technological research results.

On the afternoon of 26 October, provincial leading comrades Li Bingliang, Liu Shanxiang, Li Zhanshu, Liu Zuo Tian, Wang Zuwu, and Zhang Runshen also went to the provincial museum to view the items exhibited by various localities from across the country.

Hebei Governor Speaks on Work Arrangements

SK2110071893 *Shijiazhuang HEBEI RIBAO* in Chinese 30 Sep 93 pp 1, 4

[Text] On 29 September, Ye Liansong, governor of the provincial government, sponsored the first plenary session of the new provincial government. The session studied and arranged the economic work for the present and the foreseeable future and defined work targets for the new provincial government. In accordance with the arrangements of the party Central Committee, the State Council, and the provincial party committee, the session made arrangements for the government organs' anticorruption struggle.

At the session, Ye Liansong made an important speech; Chen Liyou, executive vice governor, gave opinions on the current work priorities; Chen Yongjin, vice chairman of the standing committee of the provincial people's congress, gave a speech; and Wu Dianming, deputy director of the provincial supervisory department, read the "Hebei Provincial Government's Proposal for Waging the Struggle Against Corruption."

Ye Liansong's speech has four parts: Realistically attend to the current economic work and ensure that the 1993 work tasks are satisfactorily fulfilled. Define the work targets of this government and lay a solid foundation for building Hebei into an economically powerful province.

Resolutely implement the guidelines of the decisions on waging the anticorruption struggle made by the party Central Committee, the State Council, and the provincial party committee. Promote the improvement of administrative honesty, and strive to make noticeable achievements in the anticorruption struggle of the present phase within this year.

Ye Liansong said: The general guidelines of the current economic work are to unswervingly implement central policy measures for strengthening macroeconomic regulation and control and to maintain sustained, rapid, and smooth development of the economy. First, we should conduct timely analysis and calculations, grasp the trend of economic development, and firmly grasp the initiative of the work. Second, we should put priorities in a prominent position and concentrate energy on solving difficult problems. Third, we should set our sights on deepening reform, concentrate energy on grasping reform, and solve the deep-layered contradictions in economic activities. Fourth, we should expand the scale of opening up, positively and effectively use foreign capital, bring in advanced technology, and develop foreign economic relations and trade. Fifth, we should adopt various measures to maintain the good trend of economic development.

Ye Liansong said: This government has been elected for a term of five years from 1993 to 1997. This term of office covers the last three years of the Eighth Five-Year Plan period and the first two years of the Ninth Five-Year Plan period. It is a key period for us to grasp favorable opportunities to speed up development and to build socialism with Chinese characteristics as well as a key period for the province to fulfill the Eighth Five-Year Plan, to implement the Ninth Five-Year Plan, and to build Hebei into an economically powerful province. According to the grand blueprints and the fighting goals as set forth in the government work report and the outlines of the plan for rejuvenating the economy of Hebei approved at the first session of the eighth provincial people's congress, we should positively organize forces to implement various tasks for reform, opening up, economic construction, and social development. This is a great historical mission for this government. So, we should make unswerving efforts to ensure the smooth fulfillment of the Eighth Five-Year Plan, promote the realization of the Ninth Five-Year Plan, and lay a solid foundation for rejuvenating the economy of Hebei and building an economically powerful province. During its term of office, this government should realize the economic and social development targets as follows: The province's GNP should rise from 114.7 billion yuan in 1992 to 172.1 billion yuan in 1997, an annual average increase of 11 percent; the increased value of the industries as a whole should rise from 51.78 billion yuan to 80 billion yuan, an annual average increase of 12 percent; the increased value of agriculture should rise from 25.71 billion yuan to 31 billion yuan, an increase of 5 percent; the proportion of the tertiary industrial output value in the GNP should rise from 28.1 percent to 35 percent;

and the revenues should rise from 10.12 billion yuan to 15.5 billion yuan, an increase of 8.9 percent and basically eliminating deficits. The living standards of the urban and rural people should be improved noticeably.

Ye Liansong stressed that during the term of office, this government should vigorously grasp several major tasks which have a great influence in overall economic development.

A. Lay a good preliminary foundation for forming the basic framework of the socialist market economic system, coordinate and promote the change of the enterprise managerial mechanism, and cultivate and develop the market system.

B. Speed up the pace of opening up and preliminarily form a multi-layered pattern of widely opening the province to all directions.

C. While ensuring a stable increase in grain and cotton output, we should realize the priority of gaining a high-yield, good-quality, and high-efficient agriculture.

D. A large number of key projects should be completed and begin operation. The industrial structure should tend to be reasonable.

E. We should build a number of infrastructural facilities and strengthen basic industries.

F. Science, technology, and education should be improved. The quality of laborers should noticeably be improved.

G. The people should improve their living conditions from having sufficient food and clothes to becoming fairly well-off. The excessively rapid population growth rate should be controlled.

Ye Liansong pointed out: Realizing the work targets of this government and speeding up the pace of building Hebei into an economically powerful province is a great historical task of the whole members of the government and the responsible comrades of various bureaus, offices, and units as well as a glorious duty entrusted to us by the party and the people. To this end, we should make efforts to fulfill the following points.

A. We should persistently emancipate the mind and seek truth from facts. What is most important at present is that we should positively, comprehensively, and accurately understand the guidelines of Comrade Deng Xiaoping's important talks and the 14th party congress; accurately understand and conscientiously implement the central policy decision on strengthening macroeconomic regulation and control, and promote sustained, rapid, and sound development of the national economy.

B. We should concentrate our energy and do solid work. The whole working personnel of the government and the responsible comrades of various bureaus, offices, and units are the people's public servants. Doing concrete deeds for the people and seeking benefits for the people

is the fundamental purpose of our government as well as our fundamentally starting and ending points in thinking about problems, defining policies, and handling affairs.

C. We should do administrative work according to laws and consciously accept supervision. We should consciously accept the work and legal supervision of the provincial people's congress and its standing committee, accept democratic supervision by the Chinese People's Political Consultative Conference, accept social and mass media supervision, and strive to improve government work.

D. We should strengthen unity and intensify discipline.

E. We should strive to cultivate and build up a highly trained, administratively honest, high-efficient, and vigorous public servant contingent. This is a great matter in China's political activities. According to the state unified arrangements and in line with the organizational reform and the reform of the wage system, we should positively and steadily carry out this work and build up as soon as possible a highly trained, administratively honest, high-efficient, and vigorous public servant contingent.

F. We should be diligent in our study to enrich our knowledge.

Ye Liansong urged that we should resolutely implement the anticorruption struggle guidelines of the party Central Committee, the State Council, and the provincial party committee; promote the improvement of administrative honesty; and strive to make noticeable achievements within the year. He said: Unswervingly waging the anticorruption struggle is a great matter to strengthen party building and the construction of the political power; an important guarantee for the smooth progress of reform, opening up, and economic construction; and an essential requirement for comprehensively implementing the basic line of the party and consolidating and developing the current gratifying situation.

He stressed: According to the arrangements of the party Central Committee, the State Council, and the provincial party committee, we should put the anticorruption struggle in a prominent position and realistically attend to the work in three aspects in the foreseeable future. First, the leading cadres of the provincial government and the departments at various levels should take the lead in being honest and self-disciplined and conduct self-examination and self-correction in line with the "10 prohibitions" of the central authorities and the provincial party committee. In the course of self-examination and self-correction, we should solve the problems of leading cadres holding concurrent posts at various categories of economic entities. The departments under the provincial government should conscientiously straighten out the problems and examine and assess them one after another by the end of October. Second, we should investigate and handle major and appalling cases. The provincial supervisory department should soon arrange the concentrated investigation of a number of cases, concentrate energy to strictly investigate and handle

them, strive to investigate and conclude several appalling cases that can produce great influence in October, and also selectively make public the conclusion of the cases. Third, we should concentrate energy to check three unhealthy trends, such as wantonly collecting funds, wantonly imposing fines, and wantonly apportioning expenses; organs abusing their power to engage in trade and create income; and going abroad (beyond the border) for trips with public funds.

Ye Liansong urged: We should wage the anticorruption struggle under the unified leadership of the party committees (organizations) at various levels. The party and government organs should make concerted efforts to attend to and manage the struggle. Principal leaders should personally assume responsibility, clearly make division of work, define responsibility for each and every level, first attend to the work of their level, and then attend to and guide the work of the next lower levels. All levels and all departments should make division of work in line with the unified arrangements of the party committees (organizations) and realistically assume the responsibility for organizationally leading the anticorruption struggle. The anticorruption struggle should be carried out closely in line with the central link of economic construction. We should constantly regard the education on improvement of administrative honesty as a basic link to oppose corruption and firmly attend to the improvement of various administrative honesty system measures and restriction mechanisms.

Hebei's Cangzhou-Huanghua Port Highway Opens

SK2610023793 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 25 Oct 93

[Excerpt] As one of the subsidiary projects of Huanghua Grand Port, the highway from Cangzhou to Huanghua Port, to be specially used by cars, was opened to traffic on 25 October. This highway is a key highway built by the province for the Huanghua Port project. The road surface of this highway is 12 meters wide, the total length is 88.6 km, and the total investment has surpassed 170 million yuan. The completion and opening of this highway will certainly play an important role in promoting the construction of Huanghua Grand Port and the railway to the port and in promoting the reform, opening up, and economic development of the areas around Bohai Bay and the whole province. [passage omitted]

Hohhot Commentary Views Industrial Prospects

SK2510121993 Hohhot NEIMENGGU RIBAO in Chinese 5 Oct 93 p 1

[Commentary by Tian Yi (3944 1707): "Broad Prospects for Industrial Development"]

[Text] Vice Premier Zou Jiahua pointed out during his inspection in our region: Inner Mongolia's economic development strategy conforms to its reality and to the

requirements of the state's industrial policy. Developing in line with this idea, Inner Mongolia will have broad prospects and achieve many accomplishments for its economic development.

Economic development cannot be separated from industry, and industry is the carrier of the most substantial material foundation of the national economy. After more than 10 years of reform and construction, the region's industrial foundation has become more solid, its strength has been enhanced notably, and it has achieved the same development rate as the country's. Some of its major products hold very important positions in the country, with some leading in the country, thus providing favorable conditions for the region's economic leap.

According to an introduction, since reform and opening up started, the region's industrial output value has increased by 11.27 percent on average every year, and the marketing rate of its products has reached 95.44 percent, roughly the same as the country's 11.45-percent growth rate and 95.47-percent marketing rate. Fixed asset investment of state-owned enterprises has increased by 16.9 percent a year, which is 3.1 percentage points higher than the national average; revenues have increased by 13.2 percent a year, 3.4 percentage points higher than the national average....

Meanwhile, some of the region's major products have attained a higher ranking in the country, becoming more and more important. In 1992, the region's raw coal output was 50.387 million tonnes, and its rating rose from 10th in 1978 to seventh; the steel output was 3.09 million tonnes, and the rating rose from ninth to seventh; electricity output was 22.23 billion kilowatt hours, and the rating rose from 25th to 15th; rare earth output ranked first in the country....

These achievements were attributed, on the one hand, to the region's efforts to conscientiously implement the state's industrial policy, formulate and put into effect the economic development strategy in a timely manner, actively adjust the industrial composition, decide on the leading role of the energy industry, and accelerate construction of key projects. According to statistics, the region invested 6.6 billion yuan in the coal industry in the five years since 1987 to expand the total construction scale to more than 50 million tonnes and to increase the production capacity by 19.55 million tonnes. It invested 4.4 billion yuan in power construction to complete the expansion of the Baotou No. 1 and No. 2 heat and power plants and the Huiliuhe power plant, to build the Fengzhen power plant, Zhungeer power plant, and Xilin Hot No. 2 power plant, to start construction of Dalate and Haibowan power plants last year, and to build 19 km of power transmission and transforming lines of more than 10 kilovolt. It successfully completed the 1-million-tonne oil extraction, transmission, and refining projects to fill the gap in the region's petroleum industry and greatly enhance its industrial strength.

On the other hand, the achievements were attributed to the region's efforts to expand the reorganization, renovation, and technological development of the existing industrial enterprises with an aim to adjust their product mix and improve their economic efficiency. Since 1987, the region has invested 8.78 billion yuan in enterprises' equipment renewal and renovation, and more than 2,000 enterprises have been technically transformed at varying degrees. It has also arranged more than 1,200 new product development and new technology dissemination projects to notably improve the quality of industrial enterprises and the overall quality, standing, and technology content of their products.

Meanwhile, trying to meet the requirement for establishing the socialist market economy system, the region has deepened enterprise reform and implemented a package of policies and measures for invigorating large and medium-sized state-owned enterprises and other work. After implementing and improving the contracted managerial responsibility system for industrial enterprises, the region has put emphasis on the reform to transform enterprises' operating mechanism, with the focus on invigorating large and medium-sized enterprises. Since 1992, in particular, the region has conscientiously implemented the "regulations," and all localities have actively deepened the reform of enterprises' personnel, employment, and distribution systems. As a result, enterprises have been further invigorated and new opportunities provided for the region's vigorous industrial development.

What is particularly worth mentioning is that the autonomous regional party committee and government have seized the opportunity to make a series of new important decisions over the past few years. Starting with the transformation of resources, it has made active efforts to cultivate new industries, promoted the key development and overall progress of industry in a planned and orderly manner, and strived to better connect its industrial development with the domestic market.

As has been learned, focusing on coal and electricity, the two major leading industries, the region is accelerating the process to put into markets and commercialize coal, electricity, oil, and other energy resources. While continuing to expand the scale of coal mining to maintain sustained development, the region is developing the power industry on a priority basis. It will strive to increase its raw coal production capacity to 140 million tonnes and power generating capacity to 20 million kilowatts, supply 60.5 billion kilowatt hours of electricity to outside the region, and become the largest commercial electricity production base of north China by the year 2000. It will speed up oil exploitation and strive to increase its oil extraction and oil processing capacity to 3 million tonnes and 2.5 million tonnes, respectively, by the end of this century.

Meanwhile, the region will strengthen iron and steel, nonferrous metal, chemical, building materials, lumber, and other pillar industries to substantially increase the

output of steel, iron, aluminum, gold, cement, and other raw materials by the year 2000. New achievements will be won in machinery, electronic, rare earth, kaolin, motor vehicle, coal, pyrites, saline-alkali, biological, petroleum, and other new and high-tech chemical industries. With advantages in their resources, the region is also accelerating the development of woolen textile, leather, foodstuff, and other areas of light industry and striving for breakthroughs.

According to statistics, the region is building 31 large and medium-sized key construction projects of the state and the region, which require a total investment of more than 32.3 billion yuan. These projects will be completed and put into operation one after another by the end of this century. The region currently is seizing the opportunity presented by the state's endeavor of strengthening macroeconomic regulation and control to ensure construction of key projects through every means and is striving to complete some projects ahead of schedule. By the end of July, it had invested 16.319 billion yuan, notably speeding up the construction.

According to forecast by experts, the output value of the region's new industrial projects alone will reach approximately 50 billion yuan when the first light of the 21st century appears on the horizon. This plus the reform and technical transformation of the existing enterprises will make the total output value 90 billion yuan. In this way, the region's growth rate will be at the upper-middle level of the country.

We can see from what has been mentioned above that the region's measures for industrial development are far-sighted and its prospects for industrial development broad and bright.

No need for reticence; the region's current industrial structure is not reasonable, industrial efficiency is low, and deficits are large. This shows our urgent need for further in-depth reform and our industrial potential that must not be underestimated. With the concerted, vigorous, and pioneering efforts of the cadres and the masses of various nationalities throughout the region, greater achievements will be won in our industry.

Inner Mongolia Reaps 2.98 Billion Kg Wheat Harvest

SK2510122893 Hohhot NEIMENGGU RIBAO in Chinese 29 Sep 93 p 1

[Summary] This year, the gross wheat output of Inner Mongolia reached 2.98 billion kg, second only to the previous best year of 1992, being another bumper harvest year.

Shanxi Electronics Industry Expands Cooperation*OW2710051093 Beijing XINHUA in English 0501
GMT 27 Oct 93*

[Text] Taiyuan, October 27 (XINHUA)—North China's Shanxi Province is experiencing fast expansion of overseas cooperation in the machinery and electronic sector.

Over the past decade, the amount of foreign investment in this sector in the province reached a total of 20 million U.S. dollars, with more than 80 advanced technology installations and technical facilities imported.

The machinery and electronic exports have expanded quickly: The export earnings in 1992 were at least ten times the figure in 1985. Its products were exported to more than 20 countries and regions around the world, including the United States, Japan, Republic of Korea, Thailand, West European countries and Hong Kong.

Rich in natural resources, Shanxi has also ample power supplies, and flourishing metallurgical and chemical industries, providing foreign investors cheap but fine-quality raw materials and a qualified technical labor force.

To meet the demands of the increasingly expanded international cooperation and exchange, the province's machinery and electronic sector set up over 20 business agencies in China's booming coastal provinces and cities. Some overseas agencies are also to be established soon, in addition to the provincial export and import corporations for machinery and electronics.

There are at least 250 enterprises in machinery and electronics in this coal-producing province, of which 72 are large and medium-sized state-owned enterprises.

More than 6,000 kinds of mechanical products are manufactured, with particular emphasis on heavy machinery, mining machinery, agricultural machinery, automobiles, machine tools and instruments.

In the booming electronics industry, the province can now produce telecom equipment, computers, radar, TV and radio sets, and advanced magnetic materials.

Tianjin Secretary at TV Drama Commendation Meeting*SK2410045793 Tianjin People's Radio in Mandarin
2300 GMT 23 Oct 93*

[Excerpts] On 23 October, at the cadres' club, the municipal party committee and the municipal government cosponsored a commendation meeting to issue awards to the prize-winning television dramas entitled "The Beauty in Wind and Rain" and "A High Upright Post."

Gao Dezhan, secretary of the municipal party committee; and Zhang Lichang, mayor of the municipality, issued certificates of honor to the Tianjin Television Station. Municipal leaders Li Jianguo, Liu Fengyan, Qian Qiao, Huang Yanzhi, and Zhang Guanwen

attended the meeting. Ruan Ruolin, secretary of the leading party group of the Chinese Television Artists' Association, also paid a special visit from Beijing to attend the meeting.

At the meeting, Dong Shuyi, director of the municipal radio and television bureau, introduced the process of filming these two television dramas and the prize-winning situation. [passage omitted]

Li Jianguo, deputy secretary of the municipal party committee, read the municipal party committee's and the municipal government's decision on commending the Tianjin Television Station for filming these two television dramas. Zhang Lichang, mayor of the municipality, made a speech at the meeting. [passage omitted]

Gao Dezhan, secretary of the municipal party committee, also made a speech. He said: The work in the literary and artistic fields is extremely important because it can play a role in guiding, encouraging, and mobilizing the people. Economic work and modernization cannot be divorced from the spiritual civilization. Tianjin has a good foundation, powerful strength, and great potential for carrying out literary and artistic work. So, we should bring the functions of the literary and artistic work into greater play. We hope that the broad masses of the literary and artistic workers make persistent efforts to improve their work, elevate their work to a new height, and make greater achievements. Literary and artistic workers should bring Tianjin's television drama art into play, prominently attend to special features, grasp priorities, produce new works, strive to win more and bigger prizes, and win honor for Tianjin.

More than 100 people, including responsible comrades of the propaganda, cultural, and artistic units; representatives of the prize-winning units; and film producers and commentators, attended the meeting.

Northeast Region**Heilongjiang Discipline Inspection Report***SK1910092793 Harbin HEILONGJIANG RIBAO in
Chinese 21 Sep 93 pp 1, 3*

[Report by Li Qinglin, secretary of the Heilongjiang Provincial Discipline Inspection Commission, at the second enlarged plenary session of the provincial discipline inspection commission on 13 September: "Unswervingly Launch the Anticorruption Struggle"]

[Text] The major purpose of this session is to relay and implement the guidelines of the second plenary session of the Central Discipline Inspection Commission, study specific ways to carry out the work arrangements of the party Central Committee and the provincial party committee for the current anticorruption struggle, unflinchingly fulfill the work targets of the anticorruption struggle to be attained in the near future, promote improvement of party style and administrative honesty,

and ensure and promote the smooth progress of Heilongjiang's reform, opening up, and economic construction.

1. We should conscientiously study and master the guidelines of the second plenary session of the Central Discipline Inspection Commission and profoundly understand the importance and urgency of the anticorruption struggle.

Comrade Jiang Zemin pointed out in his important speech given at the Second Plenary Session of the Central Discipline Inspection Commission that "corruption is the virus invading the healthy body of the party and the state, and our party will be ruined if we deal with this lightly and let it spread unchecked." Launching an anticorruption struggle is not only important to ensuring the smooth progress of reform, opening up, and economic construction, but also urgently needed to strengthen party building and to build political power. We should regard it as an important political task of the entire party, pay close attention to it, and make it a success. The most important task our discipline inspection organs are faced with is to again study Comrade Deng Xiaoping's series of expositions on opposing corruption, thoroughly study Comrade Jiang Zemin's important speech and Comrade Wei Jianxing's report, comprehensively and correctly understand their essence, and rapidly unify our thinking in line with the central guidelines on intensifying the anticorruption struggle.

A. We should achieve unity in understanding the situation in the anticorruption struggle. A correct analysis of the situation in the anticorruption struggle is the prerequisite for unifying thinking and improving understanding. The standing committee of the provincial discipline inspection commission held that the analysis and judgment of the situation in the anticorruption struggle made at the second plenary session of the Central Discipline Inspection Commission were scientific and totally compatible with Heilongjiang's reality. Since the 14th national party congress, and especially since the beginning of this year, party committees at all levels in the province have attached great importance to improving party style and administrative honesty while persistently taking economic construction as the central task. In May this year, the provincial party committee approved and transmitted the provincial discipline inspection commission's "report on the opinions on stepping up improvement of party style and administrative honesty and launching an in-depth anticorruption struggle throughout the province" and made arrangements for launching the anticorruption struggle and stepping up improvement of party style and administrative honesty. Discipline inspection and supervision departments at all levels strived to perform their functions, thus actively promoting in-depth development in the improvement of party style and administrative honesty and in the anticorruption struggle. However, we should also note that unhealthy trends and negative and corrupt phenomena within the party remain very serious, and that the situation in the anticorruption

struggle is still very grim. Major manifestations are as follows. First, law and discipline breaches, such as abuse of power to gain selfish benefits and deals between power and money, became increasingly conspicuous. In some localities and trades, the principles for commodity exchanges invaded political life, government administrative activities, and the professional behavior of public servants. It became a very serious problem to refuse to work without gaining benefits or to work wantonly even after gaining benefits. Second, corruption and unhealthy trends already infiltrated various fields. From party and government organs to enterprises and institutions and from urban and rural areas, few were free of unhealthy trends. Third, once solved problems in housing distribution reemerged. Despite repeated prohibitions, trends of free spending, such as wining and dining with public funds, decorating houses beyond set standards, traveling abroad (beyond the border) with public expenses, and competition in purchasing imported deluxe cars, became more rampant instead of being stopped. Fourth, the number of collectively unlawful and undisciplined activities increased. Some units and departments sought the interests of the party at the expense of the overall interests of the party and the state. Some adopted countermeasures against the policies of higher levels. Some employed trickery to deceive their superiors and deluded their subordinates. Some turned their covert illegal and undisciplined activities into overt ones and turned individual, illegal and undisciplined activities into collective ones. Fifth, some held the banner of conducting reform and "bravely doing pioneering work" to illegally seek benefits. Some took advantages of reform, invented various sorts of names, and varied their tactics with a view to appropriating larger amounts of state and collective property.

There are various complicated reasons for producing negative and corrosive phenomena. Approaching from an objective point of view, we know that some people twisted their outlook on life, values, and sense of morality under the influence of the vestiges of the feudal ideas, the corrosiveness of capitalism, and the negative efficiency of the commodity economy. The imperfect mechanisms applied in the course of changing the planned economic system into the market economic system as well as the weak links and loopholes in regulations, policies, and management have provided conditions and opportunities to result in corrosion. Approaching from a subjective point of view, we know that some leading cadres fundamentally failed to solve the problems of "firmly grasping one aspect and neglecting the other aspect." Some really attended to the economic work to the neglect of opposing corruption. Some leading cadres failed to play an exemplary role in being honest in performing official duties. Some localities and units conducted ideological and political work poorly. Some party organizations and party-member cadres tolerated the corrosion, loosely enforced discipline, and failed to vigorously punish the corrupt. Some comrades of the discipline inspection organs were afraid of difficulties. These problems affect the progress of the

anticorruption struggle and make the negative and corrosive phenomena spread unchecked in some aspects.

To accurately analyze the situation of the anticorruption struggle, we should not only fully affirm the existing achievements and the main stream of improving party style and administrative honesty, but also understand the seriousness of the problems and the urgency to solve the problems. We should also clearly understand the favorable conditions for opposing corruption. Only when we work in line with the arrangements of the party Central Committee and the provincial party committee, fully use the favorable conditions, and unswervingly attend to it will we be able to ceaselessly make noticeable achievements in waging the anticorruption struggle.

B. We should unify our thinking about the relationship between the anticorruption struggle and economic construction. At present, the main ideological obstacle affecting the anticorruption struggle is our failure to comprehensively and accurately understand the relationship between the economic construction and the anticorruption struggle. Some comrades maintain that we should make disciplinary concessions if we want to promote the development of the economy and that the economic environment cannot be relaxed if discipline is not decontrolled. Some comrades worry that the strict enforcement of discipline can hamper the initiative of the people and affect the development of the economic construction. Thus, they dare neither stress the importance of the anticorruption struggle with perfect assurance nor resolutely investigate and handle those who hold the banner of conducting reform and opening to the outside world to violate the law and discipline. At the time of studying and implementing the guidelines of the second plenary session of the Central Discipline Inspection Commission, we should conscientiously straighten out and overcome these inaccurate ideas.

Earlier, in the initial stage of carrying out China's reform and open policies, Comrade Deng Xiaoping stressed the necessity of grasping reform and opening up with one hand and the punishment of the corrupt with the other. After that, he exhorted us again to oppose corruption in the whole course of reform and opening up. Economic construction and the fight against corruption do not contradict or antagonize one another but complement each other. Just as failure to promote development of the economy can hinder the party and the nation, so can the trend of leaving corruption to spread unchecked. In addition, it is impossible to promote economic construction if corruption is not eliminated. Thus, launching the anticorruption struggle is an indispensable, important work ensuring the smooth progress of reform, opening up, and economic construction and an important aspect of the endeavor to build the socialist spiritual civilization. It is wrong to set the anticorruption work against reform, opening up, and economic construction. We should comprehensively implement the party's basic line and unswervingly launch the anticorruption struggle while unfailingly carrying out economic construction.

C. We should achieve unity in understanding the ideas and measures for the anticorruption work. The work ideas and measures of the central authorities for the anticorruption struggle can very much counter problems and serve as guidance. In studying the guidelines of the second plenary session of the Central Discipline Inspection Commission, we should correctly understand and grasp the general trend of thought behind the key points and requirements of the measures, apply them flexibly in line with specific local conditions, and achieve success in the anticorruption struggle of our own localities, departments, and units. During the study, we should clarify the following points. First, we should make it clear that some negative and corrupt phenomena have emerged due to imperfections in the systems and laws and the lapse in the initial phase of replacing the old system with the new, and are never the unavoidable result of reform, opening up, and economic development. The fundamental way to eliminate these corrupt phenomena lies in deepening reform. Second, we should make it clear that negative and corrupt phenomena constitute a complicated social problem, and that both stopgap and radical measures should be adopted simultaneously to comprehensively bring about a temporary solution and permanent cure. If discipline is not strictly enforced and discipline breaches are not seriously investigated and handled, corrupt elements cannot be sternly punished and unhealthy trends will not be frightened. We should intensify ideological and political education, especially education on the program, purpose, ideals, discipline, and fine traditions of the party, so that the vast number of cadres with party membership will raise the awareness in serving the people wholeheartedly, in resisting the corrosion of the ideas of the exploiting class, and in abiding by law and discipline in an exemplary manner. Third, we should make it clear that we should both embrace the idea of long-term fight and win achievements continuously in different stages when launching the anticorruption struggle. The anticorruption struggle is a long-term strategic task not to be accomplished at one stroke. At the current crucial period for establishing the socialist market economy system, it is very important for the central authorities to call in a timely manner for addressing the problems in three aspects, particularly within a short period of time, and win notable achievements for the current stage. Party committees, governments, and discipline inspection and supervision departments should be firmly determined and adopt effective measures to implement the arrangements of the central authorities.

2. We should clarify targets which are to be attained in the near future and carry out the work for the anticorruption struggle in a down-to-earth manner.

Based on the requirements of the central authorities and Heilongjiang's specific conditions, the provincial party committee decided that the following targets of the province's anticorruption struggle should be attained by the end of this year. Leading cadres at and above the county or section level of party and government organs,

first of all those at and above the prefectural or departmental level, should achieve notable progress in honesty and self-restraint and truly set a good example for party members and cadres; and stop the unhealthy trends of power abuse by party and government organs and their subordinate units to collect unwarranted fees and to travel abroad beyond the border with public expenses. Meanwhile, departments of provincial organs should achieve good results in addressing their conspicuous unhealthy trends; and a number of large and serious cases should be investigated and concluded and a group of corrupt elements sternly punished according to law in order to enhance people's confidence in punishing corruption.

A. We should pay attention to the work of making party and government leading cadres clean and self-disciplined. In the anticorruption struggle, successfully solving the issue of making leading cadres become clean and self-disciplined is not only an important aspect of this struggle but also an important guarantee for making this struggle a success. The central authorities have set five demands on making party and government cadres clean and self-disciplined and the provincial party committee has added two more in line with the actual situation. We can summarize these seven stipulations into 13 prohibitions. Leading cadres at all levels must conscientiously observe and strictly implement them. First, from now on, leading cadres at and above the county level should consciously set norms to keep their future acts within proper boundaries in line with these seven stipulations, make each level bring along and grasp the work of the next level and be determined not to violate them. Second, we should conduct self-investigation and correct mistakes. Leading cadres at and above the county level should examine and correct the existing problems of the individuals and collectives in line with central stipulations. We should clear up all sorts of expenses which the party and government cadres should be paying themselves but have asked for reimbursement from their subordinate units, and should complete this work before the end of this year. The money and the various securities which we have accepted as a gift during official activities must be handed over to the higher authorities in full. Otherwise, this will be regarded as illegal gain. Those who use public funds to participate in high-consumption recreation activities must pay up all expenses. The stipulations defined by the provincial party committee forbidding cadres of party and government organs, particularly, the leading cadres at and above the county and section levels, to hold large weddings and funerals, accept gifts of money, bonuses without a proper reason, and "money envelopes" under any pretext, must be strictly implemented and those who violate these stipulations must be strictly dealt with. On the basis of conducting self investigation and correcting violations, it is necessary to formulate rectification and correction measures, establish relevant measures for making party and government leading cadres become clean and self-disciplined, and strictly implement them. Third, we should do a good job

in carrying out democratic party life activities. We should regard the situation of keeping oneself clean and observing discipline and law as an important aspect in the party life. In the democratic life activities of the party and government leading bodies at all levels, once every year we should examine the situation of implementing the stipulations of the central authorities and the provincial party committee on keeping oneself clean and self-disciplined. Democratic life activities to be held in the second half of the year will regard this as an important task. Before holding the democratic life activities, we should make good preparations conscientiously. In addition to urging the party's discipline organs and the organizational departments of the corresponding level to pool the opinions of the masses, the discipline inspection organs and organizational departments of the higher level, if necessary, should dispatch personnel to coordinate the work. When the activity begins, leading members should accurately relay and examine in light of the questions raised by the masses. They must not go through the motions and evade crucial issues. Fourth, it is necessary to appraise leading party and government bodies and leading cadres to see whether they are honest or not. In line with the demands of the central authorities on giving simultaneous attention to discipline inspection and to the inspection and use of cadres, discipline inspection committees and organizational departments at and above the county level should maintain close coordination, inspect the situation of honesty and diligence of the leading bodies and leading cadres that are under the management of the party committees and the organizational departments of the corresponding level in a planned, selective, and purposeful manner. We should pay attention to the actual results of the inspection work and also to the situation of keeping the cadres clean and self-disciplined. Cadres who abuse power to seek personal gain and whose problems generate great complaints from the masses but do not deserve a disciplinary sanction must be readjusted. We may adopt organizational measures, such as dismissing them from important posts, readjusting their posts, demoting them, and not promoting them, and give simultaneous attention to enforcing discipline strictly and meting out necessary organizational measures.

B. We should concentrate energy to investigate and handle a number of major and appalling cases. Strictly enforcing discipline and conscientiously investigating and handling cases of disobedience, particularly major and appalling cases, is an important measure and breakthrough point to waging the anticorruption struggle. In line with the central requirements, at present, we should concentrate efforts on investigating and handling cases of breaking the law and disobeying that relate to party and government leading organs, leading cadres, judicial departments, administrative and law enforcement departments, economic management departments, and their working personnel. We should pay particular attention to investigating and handling the cases of abusing power for private gain, such as indulging in corruption and bribery, perverting justice for bribes, and diverting

public funds to speculate in stocks and real estate to reap staggering profits; smuggling cases involving party and government organs; cases of party and government organs and party and government leading cadres supporting, tolerating, and harboring the manufacture and sale of fake and sub-quality medicines; and cases of neglecting duties to commit economic crimes, corruption, and bribery. We should adopt positive and effective measures to investigate and handle major and appalling cases. First, we should arrange the clues for cases to be investigated in the order of seriousness. The discipline inspection committee should arrange the clues for cases of breaking the law and disobeying related to the party members and cadres of discipline inspection departments, supervisory organs, courts, and procuratorates, in the order of their seriousness and concentrate energy on investigating and concluding a number of the illegal and undisciplined cases relating to the party-member leading cadres. The province prepares to concentrate and conclude a number of illegal and undisciplined cases relating to the leading cadres at the department and bureau level. We should concentrate energy on rapidly investigating and concluding major and appalling cases and strive to upgrade efficiency in handling cases. The provincial party committee and the provincial government decided to openly handle several major typical cases in October. All cities and prefectures should crack several major typical cases relating to leading cadres and also handle them overtly so as to actually build up momentum in opposing corruption and to educate and inspire the enthusiasm of the masses in and outside the party. Second, we should bring into full play the functions of receiving visitors, handling incoming letters from the masses, and encouraging the people to report cases of breaking the law and disobeying thus relying on the masses to expose problems. We should continue to persist in the system of leaders fixing days to receive visitors and handle incoming letters from the masses and going deep to the grass roots to receive visitors and try every possible means to expand the channels for handling cases. The provincial discipline inspection commission and the provincial supervisory department have made public their report telephone numbers and also issued circulars on specially receiving reports on cases of breaking the law or disobeying, so all localities should implement the guidelines of the circulars. Third, all departments concerned should strengthen coordination and set up the system of contacts under the unified leadership of the party committee according to the requirements of the central authorities. The disciplinary and supervisory organs, the judicial departments, organizational and personnel affairs departments, and the departments for supervising the enforcement of laws under the governments should regularly convene meetings to analyze the situation and study policies. They should do their own duties; introduce their situation to one another; work in close cooperation with one another; bring their advantages into play; form cohesive power; pay equal attention to party discipline, administrative discipline, legal discipline, and economic penalty; and bring into full play the overall functions of supervisory

organs. Fourth, we should strengthen leadership over the examination of cases. The leaders of disciplinary and supervisory organs should personally investigate and handle major and appalling cases. The members of the party and government leading bodies should implement the system of contracted responsibility for handling cases, personally handle the cases, specifically guide the work of handling cases, and help eliminate various obstacles for handling cases.

C. We should exert great efforts to check unhealthy trends with which the masses are most dissatisfied. The masses bitterly hate elements of corruption and the unhealthy trends they have experienced. Therefore, when launching the anticorruption struggle, we should not only investigate and handle cases, but we should also exert efforts to address the conspicuous problems of our own localities and departments and check the unhealthy trends with which the masses are most dissatisfied. The central authorities have demanded that we check collection of unwarranted fees and travels abroad (beyond the border) with public expenses in the last four months of this year. We should be determined to achieve good results. First, we should check the unhealthy trend of collecting unwarranted fees. The provincial party committee and government plan to publicize canceled unwarranted fees in October this year. The unhealthy trends of party and government organs and their subordinate units which abuse power and create various excuses to collect unwarranted fees should be by and large checked within this year. Second, the unhealthy trend of traveling abroad (beyond the border) with public expenses should be checked. Leaders of some units are vying with each other to travel abroad in rotation. Some of them have travel with no clear purpose or project of inspection, and others have abused power to accompany others travelling abroad. Party and government organs at and above the county level should conscientiously examine the use of public funds in traveling abroad (beyond the border) and strictly handle according to law those who have violated regulations to pool funds wantonly and conducted tour in the name of inspection. Third, proceeding from reality, we should take the initiative in addressing the problems with which the masses are most dissatisfied, launch special activities to solve them one by one, and strive to achieve notable results within this year. Abuse of power for extortion and collection of unwarranted fees by railway, monetary, power, postal and telecommunications, public security, industrial and commercial administrative, taxation, commodity inspection, epidemic prevention, and urban construction departments should be conscientiously examined and corrected according to the targets and demands defined by their own departments and localities. In correcting unhealthy trends, we should pay attention to discovering the traces of law and discipline breaches and handle the specific and serious offenses upon discovery so as to promote the correction of unhealthy trends.

In addition to achieving success in the three key tasks defined by the central authorities, discipline inspection

and supervision departments at all levels should continue supervision and inspection over implementation of the policies and measures of the party Central Committee and the State Council for strengthening and improving macroeconomic regulation and control. We should resolutely investigate and handle all acts defying organization and discipline, such as serious violation of democratic centralism, refusal to carry out orders and prohibitions, and working out "measures at lower levels to counter the policies from higher levels," to ensure the disciplinary smooth enforcement of government orders.

Since time is pressing, the tasks are heavy, and the demands are higher, we should carefully organize forces, scientifically make arrangements, make a key breakthrough, and firmly attend to the realization of the target of waging the current anticorruption struggle. The provincial party committee has transmitted the provincial discipline inspection commission's "proposal for implementing the recent arrangement of the central authorities for waging the anticorruption struggle" to all localities. Thus, all localities and departments should conscientiously attend to the implementation of the proposal. First, we should define the responsibility of the work. Second, we should implement organizational leadership. Third, we should work out plans for implementation. Fourth, we should strengthen supervision and examination. Fifth, we should strengthen the study of policies and regulations. Sixth, we should sum up experiences in stages. In mid-December, cities, prefectures, and the provincial-level units should sum up their experiences and deliver reports to the provincial party committee and the provincial discipline inspection commission. The provincial party committee should examine and accept the work by the end of the year and simultaneously arrange anticorruption tasks for 1994.

3. The discipline inspection and supervisory organs should strengthen self-construction to meet the demands for the anticorruption struggle.

The central authorities have paid full attention to, adopted a resolute attitude toward, and worked out resolute measures for the anticorruption struggle. So, we must achieve success in it. Discipline inspection and supervisory organs have assumed key responsibility for implementing policy decisions and arrangements of the central authorities and the provincial party committee. In a way, the work of the discipline inspection and supervisory organs is directly related to achievements in the anticorruption struggle. The second plenary session of the central discipline inspection commission set new, higher demands on discipline inspection and supervisory organs and also provided them with favorable conditions for achieving their work. Therefore, we should realistically achieve self-construction. Comrade Wei Jianxing's report delivered at the second plenary session of the central discipline inspection commission pointed out that we should use the spirit of reform to strengthen self-construction of discipline inspection and supervisory organs. This is a fundamental way to upgrade the quality of the discipline inspection and supervisory

cadres contingents and set up a new order after combining the offices of the discipline inspection organ and the supervisory organ into one as well as an important guarantee for comprehensively fulfilling the duties of discipline inspection and supervisory organs and fulfilling various work tasks.

A. We should conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and firmly grasp this powerful ideological weapon to oppose corruption and advocate administrative honesty. Comrade Jiang Zemin's speech made at the second plenary session of the central discipline inspection commission pointed out: "The whole party should again study Comrade Deng Xiaoping's expositions of correcting party style, strengthening the improvement of administrative honesty, and opposing corruption." "We should use the expositions to arm our heads and guide the anticorruption work." The discipline inspection and supervisory cadres across the province should conscientiously study and exert efforts to understand and grasp the spiritual essence of the expositions. In studying Comrade Deng Xiaoping's thesis, we must combine it with the study of Comrade Jiang Zemin's speech and the guidelines of the second plenary session of the Central Discipline Inspection Commission, fully understand that the anticorruption struggle must be carried out in close connection with the implementation of the party's basic line, emancipate the mind, change ideas, firmly grasp the central task of economic construction, and actively serve this central task on our own initiative; fully understand the heavy responsibility which the discipline inspection commissions have shouldered during the anticorruption struggle, intensify the sense of mission and responsibility, conscientiously perform our duties, give play to the functional role of discipline inspection organs and actively do our work well on our own initiative; fully understand the importance of realizing immediate anticorruption objectives and concentrate energy on implementing all sorts of work measures.

B. We should strengthen training on party spirit and maintain a mental attitude of working hard and scaling heights. We should actively advocate and promote four kinds of spirit: First, we should foster the spirit of cherishing our work post, working hard and devoting ourselves to work; second, foster the spirit of keeping ourselves clean and self-disciplined and engaging in arduous struggle; third, foster the spirit of upholding the principle and daring to launch struggle; and fourth, foster the spirit of seeking truth from facts and making earnest efforts to do practical things. Meanwhile, we should do our work realistically and practically, grasp everything through to the end and investigate each and every case until the whole thing comes to light.

C. We should establish a new order after merging two offices into one and give full play to their two kinds of functions and roles. After merging two offices into one, the leading bodies will form a joint force, reduce the overlap in their work and take advantage of each others' strengths. However, some aspects still cannot completely

meet the needs of launching anticorruption struggle under the new situation. We should further perfect the internal operational mechanism, improve leadership relations and strengthen the administrative and supervisory functions; actively explore and establish a work procedure which is conducive to the party committee's unified leadership and helpful to the supervision organs to continuously hold responsibility to the government so that governments at all levels may strengthen leadership over administrative and supervisory work and so that the party's discipline inspection commissions and the administrative supervisory organs may further strengthen their functions.

D. We should closely rely on the leadership of the party committee and the government and actively carry out our work on our own initiative. The attention of the party committees and governments and their support are the important guarantee for successfully carrying out discipline inspection work. The discipline inspection and supervision organs should take leadership and support from the party committees and governments on their own initiative, and play a role as good advisers and assistants in the course of conducting anticorruption struggle. We should take active and reliable steps to ask for advice from the party committee and the government and report our work to them, help the party committee grasp anticorruption struggle, offer measures and suggestions for solving the problems emerging during the anticorruption struggle, and serve as good advisers to the party committee and the government. We should do a good job in coordinating the work, give comprehensive guidance, strengthen ties with all functional departments, keep abreast of the situation, grasp the work progress, strengthen work guidance and guarantee that the anticorruption work will be carried out in a sound and orderly manner.

Heilongjiang Holds Meeting on Rural Work

SK2710074193 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 26 Oct 93

[Text] The enlarged Standing Committee meeting of the Heilongjiang Provincial CPC Committee aimed at relaying and implementing the guidelines of the central rural work conference was held in Harbin today. The meeting urged: Party committees at all levels should truly do a good job in relaying and implementing the guidelines of the central rural work conference and, through study, enable all cadres, especially leading cadres, to enhance the understanding that agriculture is the foundation and that it should be put in the first place, to raise the awareness in performing all tasks and measures, and to unify thinking in line with the guidelines of the central rural work conference. Meanwhile, they should coordinate implementation of the guidelines of the central rural work conference with the endeavor to promote Heilongjiang's current rural work and exert conscientious efforts to do a good job in grain purchases, autumn farmland capital construction focusing on soil preparation, the preparation for next year's production,

and the production of the areas heavily hit by disasters so that Heilongjiang's agriculture and rural work can be a success.

Sun Weiben, secretary of the provincial party committee, gave a speech at the meeting. Comrade Ma Guoliang chaired the meeting. Attending were Sun Weiben, secretary, and Tian Fengshan, Shan Rongfan, Chen Yunlin, Wang Xianmin, Li Qinglin, and Yu Jingchang, standing committee members, of the provincial party committee.

Based on the arrangements of the provincial party committee, Vice Governor Sun Kuiwen gave a speech on implementation of the guidelines of the central rural work conference.

The guidelines of the central rural work conference were relayed at the meeting first. After this, the participating comrades held a serious discussion on ways to thoroughly implement these guidelines. They held: The present central rural work conference will play a great role in establishing the fundamental position of agriculture in the socialist market economy system and in mobilizing the entire party to persistently attach importance to agriculture and rural work under the new system.

It was pointed out at the meeting: The relaying and implementation of the guidelines of the central rural work conference should be coordinated with the current efforts to promote rural work. Efforts should be made to achieve success in four tasks in particular. First, we should exert conscientious efforts to achieve success in grain purchases and in preparing funds for grain purchases. Autumn harvest has been completed and new grain has appeared on the market. We should do a good job in purchasing new grain, help peasants resolve difficulty in selling grain, supply funds in a timely manner for the purchases of grain and other farm and sideline products, and resolutely refrain from issuing IOU notes to peasants. Second, we should exert conscientious efforts to achieve success in the autumn farmland capital construction by focusing on soil preparation. The province has created an upsurge in autumn soil preparation. According to statistics, the province has prepared 30.75 million mu of farmland, accounting for 68.4 percent of the target. We should strive to finish all the soil preparation task before soil is frozen. Meanwhile, we should attend to the farmland water conservancy work aimed at ensuring sowing and irrigation next spring. Third, we should exert conscientious efforts to achieve success in the various preparations for next year's production. Pertinent departments should make early preparation for production funds and for the purchase and supply of chemical fertilizer, diesel oil, and seeds. Fourth, we should achieve success in the production of areas heavily hit by disasters to make sure that people there tide over winter safely and in the preparation for next year's production.

Also attending the meeting were vice chairmen of the provincial people's congress standing committee; vice governors; the chairman and vice chairmen of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; deputy secretaries of the provincial discipline inspection commission; deputy secretaries general of the provincial party committee; deputy secretaries general of the provincial people's congress, government, CPPCC committee, and discipline inspection commission; secretaries of city and prefectural party committees; principal responsible comrades of the pertinent units directly under the province; and responsible comrades of pertinent press units.

He Zhukang-Led Delegation Returns to Jilin

SK2110074393 Changchun JILIN RIBAO in Chinese
28 Sep 93 pp 1, 3

[Text] At the invitation of Roy Romanowin, premier of Saskatchewan Province of Canada, the seven-member Jilin provincial delegation led by He Zhukang, secretary of the provincial party committee and chairman of the provincial people's congress standing committee, visited Canada on 6-15 September and had a brief stopover in New York and Tokyo on its way home. The delegation returned to Changchun by train this morning. Greeting the delegation at the railway station were Gao Yan, deputy secretary of the provincial party committee and provincial governor; Wang Jinshan, deputy secretary of the provincial party committee; Gu Changchun, vice chairman of the provincial people's congress; Fang Jianyu, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; Sang Fengwen, secretary general of the provincial government; and responsible comrades of the provincial party committee, the provincial people's congress, the provincial government, the CPPCC general office, the provincial foreign affairs office, the provincial foreign trade committee, the provincial merchants bureau, and other departments concerned.

The Jilin provincial delegation signed a "letter of contact planning" on further developing friendly cooperative relations with Saskatchewan Province; signed 17 contracts and agreements on developing cooperative projects with relevant companies in Canada, the United States and Japan, involving a total investment of \$320 million, of which, \$238 million will be foreign capital; and signed foreign export trade contracts worth \$45 million. The visit was a complete success. Press circles continually reported news on the delegation's visit. SHIJIE RIBAO states: "Jilin's delegation has achieved noticeable results during its visit to Canada. Both sides have promising prospects for complementing each other."

During its stay in Saskatchewan Province, the delegation was accorded a warm welcome and a courteous reception. Government officials of Saskatchewan Province, Vice Premier Tchorzewski, and representatives of Chinese residents welcomed Chairman He Zhukang and all

delegation members at the airport. Vice Premier Tchorzewski accompanied Chairman He Zhukang and his entourage during the whole course of their friendly visit in Saskatchewan Province. The following afternoon, Premier Roy Romanowin met with Chairman He Zhukang. Both sides extensively exchanged views on development of friendly relations between the two provinces and on exchanges and cooperation in economy, trade, science and technology, culture, and education. They expressed their satisfaction with achievements in the past and hoped that the two provinces, based on their original good terms, would further develop extensive contacts, particularly economic and trade cooperation, in the future. Premier Roy Romanowin and Chairman He Zhukang exchanged views on the draft of the new letter of contact planning for the two provinces. That evening, Premier Romanowin held a large banquet with more than 80 people guests to warmly welcome the Jilin delegation. Premier Romanowin and Chairman He Zhukang each gave ebullient speeches at the banquet. Both sides wished for unceasing development and expansion of friendly relations between the two provinces. Through friendly consultations, both sides reached an identical view on the content of the "letter of contact planning." On 10 September, Su Rong, secretary general of the provincial party committee, and Vice Premier Tchorzewski of the Canadian side respectively signed the "1993-94 letter of contact planning of Jilin Province and Saskatchewan Province" on behalf of Jilin Province and Saskatchewan Province.

During their stopover in Saskatchewan Province, Chairman He Zhukang and other delegation members also paid an official call on Madam Sylvia Fedoruk, Lieut. Governor of Saskatchewan Province; met with Mr. Devine, former premier of the province; and Mr. Siluode [name as transliterated], director of the western area development department of the Federal Government of Canada; visited the power company, the Royal Police Academy, farms and other units in Saskatchewan Province; and were warmly greeted in every place they visited.

In Vancouver and Toronto, Canada, the delegation respectively held "meetings to introduce Jilin Province's foreign economic and trade cooperation," achieved very good results, and aroused strong reaction from all circles in Canada. Figures from the industrial, commercial, financial, law and press circles actively participated in the meetings.

At the briefings, Chairman He Zhukang introduced Jilin Province's general situation and its foreign economic and trade cooperation situation. Li Jieche, director of the provincial foreign economic bureau, introduced our province's preferential policies for inviting business and investment and 202 foreign cooperation projects and answered questions raised by persons from various circles in Canada on foreign exchange equilibrium of joint enterprises, real estate development ownership, the development of the lower reaches of Tumen Jiang, and legal guarantees for foreign-funded enterprises. The

minister of finance and taxation and the minister of science, technology, and trade of the federal government of Canada attended the meetings and the signing ceremonies on relevant cooperation projects. At the meetings, representatives of some companies and consulting groups immediately expressed their determination to visit Jilin before the end of this year and to inspect and understand Jilin Province's investment environment in an effort to seek cooperation projects and to hold talks on import and export trade. During the visit, our province signed 14 economic cooperation contracts and agreements with Canadian companies, involving a total investment of \$290 million, of which \$289 will be foreign capital. The major items included Vitamin C production equipment, the processing of biological products, and real estate development. Our province also signed trade contracts with some companies in Canada on exporting \$8.8 million worth of textile products, garments and commodities to Canada. Through this visit, breakthrough progress was achieved in friendly exchange and in economic and trade cooperation between our province and Canada.

After successfully ending the visit to Canada, the delegation had a brief stopover in New York and Tokyo on the way home and contacted and held trade talks with some large companies, including the telephone and telegram company of the United States, the Itochu Corporation of Japan, the Mitsubishi Corporation, the Marubeni Company, the Xuhucheng Corporation, and the Dongyang Engineering Company, and exchanged views on expanding cooperation. Our province signed a memorandum with the telephone and telegram company of the United States on importing 200,000-line telephone equipment and the trade groups also signed export contracts involving a total value of \$25 million with some U.S. trading companies; the delegation also signed letters of intention with Mitsubishi Corporation and Marubeni Company of Japan on developing a precision chemicals cooperation in our province, and signed export contracts involving a total value of \$12 million with some Japanese trading companies.

During the visit, the delegation actively publicized and introduced Jilin, met with some old friends, made some new friends and expanded its influence. Chairman He Zhukang met with Gedeman [name as transliterated], an influential and noted lawyer of Canada, and Ichisan Kimura, a noted person in Japan.

During the visit, the delegation received active support and guidance from our embassies in foreign countries, which guaranteed the smooth progress of the visit. When visiting Canada, our provincial delegation led by Chairman He Zhukang received great support from our embassy in Canada and the consulates in Vancouver and Toronto. Ambassador Zhang Yijun personally introduced the situation to Chairman He Zhukang, offered constructive suggestions for our delegation during the visit in Canada, and sent personnel to accompany our delegation to visit Saskatchewan Province. Principal leaders of the Vancouver and Toronto Consulates

attended the briefings held by our province. On its way home via Tokyo, Comrade Xu Dunxin, Chinese ambassador to Japan, met with Chairman He Zhukang and other delegation members and touched on specific views on how to further strengthen friendship as well as economic and trade contacts between China and Japan. During his foreign trip, Comrade He Zhukang also visited personnel of our province's foreign trade organs, extended cordial regards to them on their hard work, highly praised their hardworking spirit and the good efficiency they achieved and gave important directives on how to develop markets and achieve still greater efficiency in the future. He expressed hope that they would get a firm foothold, make persistent efforts, work hard to make the country strong, and make new contributions to building a developed border province near the sea.

The delegation left Changchun on 3 September. Provincial leaders, including Gao Yan, Wang Jinshan, Ke Muyun, Fang Jianyu, Sang Fengwen, secretary general of the provincial government, and responsible persons of departments concerned saw the delegation off.

Jilin Secretary Discusses Investigation Work

SK2110031793 *Changchun JILIN RIBAO in Chinese*
29 Sep 93 pp 1,8

[Text] In response to General Secretary Jiang Zemin's call, we should energetically encourage the practice of conducting investigations and studies throughout the whole province, improve the work of leading organs at all levels and strive to enhance the leadership level. This was proposed by Comrade He Zhukang, secretary of the provincial party committee, at the provincial conference of directors of research centers of city and autonomous prefectural party committees.

The decision regarding the holding of this conference was made by the provincial party committee, and it was held separately in Hunjiang and Changchun on 24-28 September. The main tasks of this conference were to deeply implement the guidelines of Comrade Jiang Zemin's important speech delivered at the national conference of directors of policy research centers of the provincial, prefectural and city party committees, conscientiously sum up our province's work experiences in strengthening investigations and studies under the new situation of reform and opening up, promote the practice of conducting investigations and studies among cadres at all levels throughout the province, improve leadership and work methods, strive to enhance the leadership level and promote the development of all fields of work.

Comrade He Zhukang gave a speech at the conference. He said: Investigations and studies are our party's fine traditions. Comrade Jiang Zemin has reaffirmed the practice of conducting investigations and studies under the new situation in which our country's reform, opening up and construction for modernization have entered a stage of developing the socialist market economy. This is necessary for our party to fulfill the great new missions of

the new period. Strengthening investigations and studies constitute an inevitable demand of deepening reform, the basic work of scientific policymaking, the basic way for pooling the creativity of the masses, and the practical need of upholding and implementing the party's basic line. We should pay more attention to investigations and studies than at any time in the past, persist in regarding investigations and studies as the essential technique of leading cadres and the basic work of leading organs and implement them in the whole work process of leaders. Since reform and opening up, leading comrades at all levels, the investigation and research departments at all levels, and the social research sector have done much work in investigation and research and conducted lots of explorations to provide an essential guarantee for enhancing the level of policymaking. At present, some problems still exist in our understanding, level of improvement and the contingents, and they merit our attention and conscientious efforts to solve them. Energetically encouraging the practice of conducting investigations and studies is aimed at urging the whole party to place investigations and studies in an important position in terms of their ideology, understanding and work practices and regarding this as an essential technique of leading cadres at all levels and as their conscious action. Leading comrades at all levels, the principal responsible comrades at and above the county level, in particular, should earnestly practice what they advocate and never break away from reality and the masses. In addition to getting familiar with the local situation, they should also understand the external situation, bear the whole situation in mind, pay close attention to practice and strive to make theoretical explorations. The major policy decisions of all aspects must be established on the basis of fully conducting investigations and studies and making necessary systems and work procedures. It is necessary to strengthen the building of contingents of policy research departments at all levels and of other research and consulting departments and the investigation and research work.

In order to energetically encourage the practice of conducting investigations and studies, Comrade He Zhukang called on leading cadres at all levels to conscientiously study Comrade Jiang Zemin's important speech, grasp the basic viewpoints, and profoundly understand that persisting in conducting investigations and studies is the basic demand of the dialectical materialist theory of knowledge and one of the party's basic work methods and leadership systems, that one has no right to speak and to make policy decisions without investigation, and that persisting in the practice of conducting investigations and studies is an important channel for the party to maintain close ties with the masses of people. We should promote four practices among leading cadres at all levels, that is, to promote the practice of enabling leading cadres to have a good knowledge of the national and provincial situations and the conditions of the lower levels and of the people; the practice of encouraging leading cadres to personally organize investigations and studies on some major issues and to go deeply to the

grass roots to conduct investigations and studies, to personally participate in writing investigation reports and to personally listen to investigation briefings and organize discussions; the practice of conducting investigations, studies and scientific appraisals before making major policy decisions and implementing the system of making democratic and scientific policy decisions; and the practice of encouraging leading cadres to always get in touch with the masses and make friends with workers, peasants and intellectuals. The standing committee of the provincial party committee should begin with this work, establish and improve the system of encouraging leading cadres to go to the grass roots, the system of encouraging leading cadres to establish ties with some localities, the scientific policy-making system, the policy-making consulting system, and the system of combining theoretical study with investigations and research.

He Zhukang stressed: The purpose of leading organs and leading cadres is to enhance the policy-making level as well as the leadership level. In this connection, we should pay attention to five points: First, party and government principal leading comrades at and above the county level should concentrate most of their energy on grasping the policy-making right and leadership right through conducting investigations and studies. Leading cadres are holding a core status in policy-making and in the whole leadership work. Only by personally conducting investigations and studies can they be able to personally experience the actual situation, have their own opinions, and have the right to speak and to make policy decisions. We should consider the leading cadres' ability to conduct investigation and studies as one of the important yardsticks for assessing cadres. Second, we should pay attention to studying major affairs and grasping the overall situation. The investigation and research activities of leading cadres should always be carried out in line with the party's solemn historical mission and the strategic objective. We should follow the party's basic line, pay close attention to major affairs that affect the overall situation, regularly ponder some major issues, and always "keep the overall situation in mind and grasp the major affairs." Third, we should be good at discovering and summing up the fresh experiences which the grass roots and the masses have created in the course of reform and opening up. It is necessary to learn from the masses and the grass-roots cadres with an open mind, respect their creative spirit, support them to make explorations boldly, be good at summing up things of a regular pattern, and use them to guide the work of the whole area and to mobilize the enthusiasm of the masses. Fourth, we should do a good job in combining the guidelines of directives from the higher levels with local reality. Attention should be paid to combining the central guidelines with the local reality to form a development strategy with regional characteristics which can give full play to local advantages. Fifth, we should integrate the work of conducting investigations and studies with strengthening study. The heavier the tasks are the higher we should enhance our ability to control the work situation through our study. We should do a good job in the study in line

with Comrade Jiang Zemin's demand and regard studying theories, conducting investigations and studies and solving problems as a complete and integrated process in an effort to promote the work of combining theory with practice.

He Zhukang pointed out: Solving problems is the starting point and the resting point of investigations and studies. In measuring the level of investigations and studies, we should see whether the investigation is deep and the study is thorough. More importantly, we should also pay attention to the degree of solving problems and the actual results. We should conduct investigations and studies in close connection with the central task of economic construction and exert efforts to solve practical problems in the course of economic development. While solving the current problems, we should also keep an eye on long-term and steady development and strive to achieve breakthroughs in some major aspects. We should deepen the study of reform with the establishment of the socialist market economy system as the key content in an effort to use reform to promote economic development and all fields of work. At present, we should give priority to studying the issue on deepening enterprise reform, especially on successfully running state-owned large and medium-sized enterprises, and make breakthroughs in tackling some difficult points. It is necessary to uphold the principle of taking a two-handed approach and be tough with both and pay attention to studying and solving the issues on the party's self development and the building of leading bodies. We should systematically conduct investigations and studies so as to eliminate the corrupt phenomena in our systems and the legal system and create a good condition for our party to do a good job in self-development under the market economic condition.

He Zhukang emphatically pointed out: Over the years, the policy research departments at all levels across the province have gradually established a very good contingent and done lots of effective work to help the party committees and governments implement correct policy decisions and effectively practice them. Facing the heavy and complicated reform and construction tasks, the party committees and governments at all levels should further strengthen leadership over the policy research departments and improve and strengthen the policy research work. The policy research departments of the party committees are comprehensive research departments, the advisers and assistants helping the party committees carry out policy-making and leadership work and having the functions of organizing, contacting with and coordinating the entire investigation and research work. We should give better play to the role of the policy research departments in line with their functional characteristics and guide them to grasp the major points of policy research, pay attention to comprehensive work and the work that affects the overall situation and to give play to their functions of organizing, contacting with, and coordinating work. The principal leading comrades of the party committees should attend to the work of the

policy research departments and strengthen specific guidance. We should strengthen the building of the policy research departments of the party committees and their contingents. Actually, the policy research departments are shouldering very important tasks because their work is one of the components of the investigation and research work of leading comrades. Under the new situation, we should strengthen investigation and research work and not weaken it. Relatively, the building of organs and contingents of the policy research departments of the party committees must also be strengthened and not weakened. The policy research departments of the party committees must have a high-level contingent which is capable of undertaking the policy research tasks, and at the same time, give them relative posts, professional titles and wages. We should regard the research centers (policy research centers) of the party committees as the bases for training cadres, properly exchange policy research cadres, and strive to achieve good results and produce well-trained personnel. It is necessary to strengthen the building of socialist research consulting contingents. Policy research departments at all levels should conscientiously study Comrade Jiang Zemin's important speech, exert efforts to improve themselves, enhance their ability to study major issues, raise the policy research work to a new level, and make greater contributions to the party's cause.

The Hunjiang city party committee; Sun Yazhen, secretary of Qian Gorlos Mongol Autonomous County party committee; research centers of the Changchun, Siping and Daan city party committees; and of some county party committees and research centers of some provincial-level departments, introduced their experiences at the conference.

Directors of research centers of some city, autonomous prefectural, and county (city) party committees, responsible persons of provincial-level research and consulting departments and units, and responsible persons of some provincial-level principal departments, a total of more than 200 people, attended the conference.

Su Rong, member of the standing committee of the provincial party committee and secretary general of the provincial party committee, presided over the conference and put forward demands on implementing the guidelines of this conference.

'Furious Pace' Reported in Changchun's Construction

OW2610134493 Beijing XINHUA in English 1315
GMT 26 Oct 93

[Text] Changchun, October 26 (XINHUA)—Changchun, the capital city of North China's Jilin Province, has injected over 200 million yuan into the infrastructure of its technology development zone to improve the investment environment.

Established in July, 1992, the district, covering an area of 32 square km, received approval from the State

Council as a technology development zone at the state level. It enjoys preferential treatment granted to zones of the same kind in the coastal areas.

Starting from May this year, capital construction in the zone has been proceeding at a furious pace, involving projects for roads, bridges, water supply, power supply and telecommunications. A 1,700-meter street has been finished, and the other items are expected to be completed before winter.

To entice more foreign funds, the development zone has been entitled to approve joint-funded enterprises. All procedures can be handled within three days.

Meanwhile, a draft for management regulation, aimed at maintaining stability in the zone, is under discussion. And a customs post is to be set up next year.

At present, a development building with a total cost of 200 million yuan has taken shape. And a large hotel, a comprehensive office building, a commercial center and an entertainment center are under construction.

Statistics show that this year, a total investment of over 400 million U.S. dollars has been pumped into land development in the zone. And 25 jointly-funded enterprises have been approved, with a commitment of 40 million U.S. dollars.

Siping Thermal Power Plant Construction Begins in Jilin

SK2410050293 *Changchun JILIN RIBAO in Chinese*
10 Oct 93 p 1

[Summary] Construction of the Siping thermal power plant formally started on 8 October. This medium-sized thermal power plant is being built with the joint investment offered by the central authorities and the province. Investment in the first phase of the project totals 580.16 million yuan. The annual power generation capacity of the power plant will reach 1.3 billion kilowatt hours. According to the arrangements made by the provincial power industrial bureau, the first phase of the power plant project involves the construction of three power generating units and the second phase project involves two 300,000-kilowatt generating units. The three generating units covered in the first phase of the project will go into operation in 1996.

Liaoning Secretary Attends Educational Work Conference

SK2710040393 *Shenyang Liaoning People's Radio Network in Mandarin* 1000 GMT 26 Oct 93

[Text] The provincial educational work conference was held in Shenyang on 26 October. This conference was mainly devoted to deepening the understanding of the province's educational situation in combination with Liaoning's realities, to concentrating energy on studying the new characteristics facing the educational work, and to defining the basic idea on educational reform and

development under the new situation in order to promote the development of educational undertakings.

Provincial leaders Gu Jinchu, Quan Shuren, Yue Qifeng, and Xu Wencai attended the conference.

Governor Yue Qifeng made a speech at the conference. He said: Since the Third Plenary Session of the 11th CPC Central Committee, particularly since the issuance of the decision on educational system reform made by the CPC Central Committee, the province's educational undertakings have developed greatly. However, it should also be noted that along with the economic development and the progress of educational undertakings in various localities, the gaps between our province and other advanced localities have been widened gradually. A major indicator is that the cultural quality of the people, the structure of the ranks of specialized skilled persons, the educational structure, and the educational operating mechanism of the province lag behind the demand of accelerating economic development. We must enhance our sense of urgency and the sense of responsibility, vigorously deepen the reform of educational management system, streamline administrative procedures, delegating powers to schools, expand the autonomy of schools, and make all kinds and all levels of schools have autonomy in setting up organizations, inviting teachers, and distributing wages. At the same time, we should strengthen the reform of enrollment and distribution systems, and extricate from the systems of completely depending on the state quotas in enrolling students and in distributing graduates.

Yue Qifeng added: To make up for the insufficient educational input when the current financial conditions are relatively difficult, we should mainly depend on reforming the channels of increasing funds in addition to depending on the continuously increased input by the government. All localities should boldly make explorations, positively make experiments, and fully utilize the existing facilities and talented people of their schools to vigorously initiate school-run enterprises and work-study programs.

In addition, Yue Qifeng called on party committees and governments at all levels to strengthen leadership over educational work, to build well the ranks of educational workers, and to do well the ideological and political work of schools under the new situation in order to ensure the sound development of educational undertakings.

Liaoning Sets Targets for First-Phase of 'Project Hope'

SK2610071693 *Shenyang LIAONING RIBAO in Chinese* 7 Oct 93 p 1

[Excerpts] Recently, the banner for our provincial project of pooling the efforts of production units, schools, and research units personally directed by Vice Governor Guo Tingbiao was hoisted, indicating the formal start of this project throughout the province.

Named "Project Hope," economic, scientific and technical circles are calling it the second pioneering program.

"Combining the efforts of production units, schools, and research institutes" has been the successful experience of many economically developed countries of the present world and relying on science and technology to promote economic and social development is not only an urgent need of our country, it is a pioneering cause of strategic significance. Our province's purpose of carrying out this project is to promote the three-in-one method of integrating scientific research institutes, colleges, and universities as well as industrial enterprises, strengthen the work of translating scientific and technological achievements into productive forces, quicken the tempo in using high and new technology to transform traditional industries, and actively industrialize high technology so as to promote the readjustment of the whole province's industrial structure and product mix and enable our province's industrial economy to embark on a road of benign development at high speed and with high efficiency.

During five years, from 1993 to 1997, our province will fulfill the first-phase targets of the joint-development project.

We will complete 10 demonstrative high-tech industrial items each with a sales volume of more than 100 million yuan. [passage omitted]

We will give priority to arranging 100 development and conversion projects. These 100 projects will be issued to the lower level as a provincial-level guiding plan and be organized for implementation by various trades, departments, bureaus, and cities. Most of these projects have been started and are characteristically of a high level and efficient. Upon completion, these projects will create 1.6 billion yuan in annual output value and 400 million yuan in profits and taxes.

With an annual rate of 600 items, we will develop and transfer 3,000 scientific and technological research achievements in five years. These items will be regarded as a guiding plan and be organized for implementation by 14 cities across the province.

We will rely on large and medium-sized enterprises, and build 10 technology development centers and intermediate experimentation bases for scientific and technological research achievements with the joint efforts of production units, schools, and research institutes. [passage omitted]

In order to soundly and smoothly carry out this major project, the provincial government held the first meeting on integrating the efforts of production units with schools and research units in Fushun on 5-7 September. The meeting discussed and worked out plans for the whole project in detail.

Northwest Region

Xinjiang Marks 50th Anniversary of 'Martyrs'

OW2510050593 Urumqi XINJIANG RIBAO in Chinese
27 Sep 93 pp 1-2

[Article by Song Hanliang and Tour Dawamat: "Promote Revolutionary Spirit and Be United To Develop Xinjiang—Marking the 50th Anniversary of the Death of Such Martyrs as Chen Tanqiu, Mao Zemin, and Lin Jilu"]

[Text] The 50th anniversary of the death of martyrs, including Chen Tanqiu, Mao Zemin, and Lin Jilu, falls on 27 September 1993. The people of various nationalities in Xinjiang deeply cherish the memory of the spirit of those martyrs buried at the foot of Tian Shan, and forever remember their great contributions.

After the War of Resistance Against Japan broke out in a full scale, the CPC, in consideration of the development of international and domestic situation and the overall interests of the country and the people, formed with Xinjiang Governor [du ban 4206 6586] Sheng Shicai a national united front against Japan, based on the "Six Major Policies [liu da zheng ce 0362 1129 2398 4595]," and established an office of the Eighth Route Army in Dihua (today's Urumqi). At Sheng Shicai's invitation, the party Central Committee sent a selected group of outstanding party members and revolutionary intellectuals from Yanan to work in Xinjiang so as to extensively mobilize Xinjiang people of various nationalities and social sectors to join in the anti-Japanese and national salvation campaign; to ensure the opening of international communications line across Xinjiang; and to enhance the development of economic and cultural endeavors in Xinjiang. It was then that Chen Tanqiu, Mao Zemin, Lin Jilu, and Du Chongyuan successively arrived in Xinjiang.

The CPC members who were sent to work in Xinjiang performed arduous and outstanding tasks and waged heroic and unwavering struggles under extremely complex political conditions there. They publicized anti-Japanese mission, democracy, and Marxism-Leninism on various fronts; and transformed Xinjiang into the rear area for the anti-Japanese and national salvation campaign, and into a land of unity and progress.

In May 1939, Comrade Chen Tanqiu became the representative of our party and the responsible person of the Eighth Route Army office in Xinjiang. He led all the communist party members in Xinjiang to faithfully implement the party Central Committee's instructions, to firmly execute the party policy governing the national united front against Japan; and to wholeheartedly serve Xinjiang people of various nationalities, and thereby made outstanding contributions to enhancing Xinjiang's economy, promoting social progress, consolidating the rear area of the War of Resistance Against Japan, and ensuring the opening of international communications line.

Serving as the provincial finance department director, Comrade Mao Zemin vigorously rectified Xinjiang's financial conditions and intensified its economic construction by putting forward the principles of "developing the economy, cultivating more tax sources, increasing revenues, guaranteeing payments, keeping expenditures within the limits of income, and striving for a revenue-expenditure balance." While perfecting the financial organizations in various localities and reforming the monetary system throughout the region, he set up a school of finance that trained a host of financial and economic cadres of various nationalities, and put the confused financial condition in Xinjiang onto the right track within a brief period. He energetically reformed political power at the grass-root level in Xinjiang and held democratic elections after abolishing the "rural officials nomination system." Under his leadership, Xinjiang made great progress in medical service and public health, with hospitals being built across the region and people of various minority nationalities being trained as medical personnel. Comrade Mao Zemin's spirit of serving the people wholeheartedly was highly praised by the people of all nationalities.

Comrade Lin Jilu successively served as dean of studies of the Xinjiang College, director of the Aksu Education Bureau, and magistrate of Kuqa County. In Kuqa, he conducted in-depth investigations and studies at grass-root level to better understand the people's feeling. With great determination and boldness, he rectified frame-ups and mishandled cases and punished the corrupt officials. It was he who encouraged the people to open up barren hills for cultivation and build water conservancy projects. The eight big characters meaning "turning the ancient Guici crossing site into a bridge of solidarity" [gui chi gu du, tuan jie da qiao 7898 3069 0657 3256 0957 4814 1129 2890] he personally inscribed for the bridge across the Chita River—which he personally designed and supervised in its construction—was a sign symbolizing the people of various nationalities fighting in unity. The inscription is still eulogized by the people of all nationalities in Kuqa even today.

The success of the Chinese Communists, led by CPC representative Chen Tanqiu, in earning the wholehearted love and esteem of the people of various nationalities with their own hard work and selfless dedication simultaneously aroused Sheng Shicai's jealousy and hatred. At a time when the international anti-Fascist war was encountering difficulties and China's War of Resistance Against Japan at a stalemate, Sheng Shicai eventually exposed his anticommunist and antipeople class nature, and took the counterrevolutionary road of siding with Chiang Kai-shek's nationalist government and thoroughly breaking off with the Soviet Union and the CPC. On 17 September 1942, Sheng Shicai put all CPC personnel and members of their families in Xinjiang under house arrest in Dihua and formally sent them to prison in February 1943. All imprisoned CPC members led by Chen Tanqiu had boldly upheld the cardinal principles of righteousness and remained faithful and unyielding in

the face of savage tortures and temptation of great favors. At the end of his tether, Sheng Shicai, an atrocious warlord, secretly killed Comrades Chen Tanqiu, Mao Zemin, and Lin Jilu on 27 September 1943, and Comrade Du Zhongyuan and others in the prison later.

The heroic undertakings of martyrs Chen Tanqiu, Mao Zemin, Lin Jilu, and others are a glorious chapter in the history of revolution in Xinjiang—a chapter jointly written by the Chinese Communists, the patriotic democratic personages, and the people of all nationalities with their blood, lives, hard work, and wisdom that indelibly engraved on the memory of the people of all nationalities in Xinjiang.

It has been 50 years since the martyrs' murders. For the past five decades, tremendous historical changes have taken place in Xinjiang. Recalling the past and comparing it with the present, all sorts of feelings well up in our hearts. May we console the spirit of the departed martyrs with the victories we secured in the liberation cause to which the people of all nationalities in Xinjiang had been looking forward and to which the martyrs had dedicated. Under the CPC leadership, the people of all nationalities in Xinjiang not only smashed the feudal shackles to become masters of their own affairs long ago, but also have achieved great success in their socialist undertakings, currently finding themselves advancing in big strides along the road of building socialism with Chinese characteristics. Today, as we mark the 50th anniversary of the sacrifices of Chen Tanqiu, Mao Zemin, Lin Jilu, and others, let us cherish the memory of their heroic undertakings, carry out their revolutionary behests, emulate their revolutionary spirit, and continue pushing forward the cause of communism for which they had fought.

Our socialist modernization drive is at a critical stage at present. The 14th CPC Party Congress called for arming the whole party with the theory of building socialism with Chinese characteristics and formulated a grand program for accelerating reform, opening up, and modernization and for advancing toward the 21st century. Party organizations at all levels, cadres, and people of all nationalities in Xinjiang are implementing the guidelines of the 14th CPC Party Congress and are making concerted efforts to quicken the pace of developing Xinjiang and to fulfill the second-step strategic objective ahead of schedule. Today, we should learn from the revolutionary spirit of martyrs, carry forward the revolutionary traditions, and improve our work in Xinjiang.

We should learn from the martyrs' firm conviction in the victory of the communist cause and their revolutionary spirit of sacrificing themselves for this cause. They "firmly believed in the cause and did not mind being beheaded." Confronted with the enemy's butcher knife and cruel torture, Chen Tanqiu, Mao Zemin, Lin Jilu, and other communists did not waver and retreat. They remained tenacious and would rather die than yield to the enemy. This was because they firmly believed in the final victory of the communist cause. Today, the socialist

cause under the leadership of the CPC is developing vigorously in the East. Creatively applying the universal truth of Marxism, Comrade Deng Xiaoping has found a path for realizing socialist modernization, a path with Chinese characteristics that is different from that taken by other countries, and has developed Marxism-Leninism-Mao Zedong Thought under new historical conditions. An important task facing us now is to conscientiously study the theory of building socialism with Chinese characteristics. Every communist, particularly the party's leading cadres, should take this theory as a weapon, strengthen his/her faith in socialism and communism, hold high the banner of Marxism-Leninism-Mao Zedong Thought, and continue to push forward the cause of socialist modernization in China.

We should learn from the martyrs' revolutionary spirit of cherishing the frontier, building the frontier, and working creatively and industriously to invigorate Xinjiang's economy and cultural undertakings. During the difficult years of the War of Resistance Against Japanese Aggression, a number of outstanding communists and revolutionary intellectuals came from faraway areas to work in the motherland's northwest frontier. Complying with the party Central Committee's instructions, they spared no effort in devoting themselves to developing Xinjiang's economy and cultural undertakings. Developing Xinjiang's economy—this is the last wish of the martyrs and is also a long-term central task for party organizations at all levels and cadres and people of all nationalities in Xinjiang. The 14th CPC Party Congress said that the party's basic line must be followed unswervingly for 100 years. The key to doing so is to firmly adhere to the central task of economic construction without a change. Xinjiang is a national minority region. Accelerating economic development in our region is of great significance to strengthening national unity, consolidating frontier defense, maintaining political and social stability, and promoting national economic development. Regarding this matter, we should have a historical sense of responsibility and sense of urgency. We should be resolved to push forward Xinjiang's economic construction, striving to raise its production, economic development, and standard of living to a new level every year and building it into a region of unity, progress, and prosperity.

We should learn from the martyrs' revolutionary spirit of exemplarily implementing the party's nationality policies and of resolutely safeguarding national unification and national unity. In the period when Comrade Chen Tanqiu worked in Xinjiang, he explicitly pointed out: The CPC's policy for work in Xinjiang is to ensure that Xinjiang will always be a part of China's territory and will not fall into the bloody hands of imperialism. Resolutely implementing this policy, the Chinese Communists safeguarded national unification and national unity by setting a good example through which they were able to influence and unite the people of all nationalities to wage a resolute struggle against the subversive and splittist activities of the hostile forces at home and

abroad. Since the founding of New China, our party has formulated a series of nationality policies—policies on national equality, national unity, regional national autonomy, and common prosperity for nationalities—and opened up a path with Chinese characteristics for resolving nationality issues. In Xinjiang, the basic guarantee for economic construction and the development of various undertakings is to strengthen national unity, oppose national separation, and safeguard political and social stability. This is also our long-term strategic task. We must conscientiously implement the party's nationality policies, strengthen the unity among the various nationalities, and firmly believe that the Han cannot be separated from national minorities and the national minorities cannot be separated from the Han. The cadres and people of all nationalities should unite as one, share weal and woe, and make contributions to promoting the great unity among all nationalities and the long-term stability and prosperity of Xinjiang.

We should learn from the martyrs' revolutionary spirit of wholeheartedly serving the people of all nationalities in Xinjiang, working arduously, being honest in performing official duties, and making selfless sacrifices. During the difficult years of the War of Resistance Against Japanese Aggression, the Chinese Communists working in Xinjiang always remembered the purpose of serving the people and did their best to do good deeds for the people of all nationalities in Xinjiang. They were honest and yet arduous in their work; being poor, they led a simple and frugal life. They used every penny they had earned on the liberation of Xinjiang people. Today, our party has become the ruling party, and under the leadership of the party we have scored remarkable achievements in socialist modernization. However, we must be aware that following the development of the objective situation, some people in party and government organizations have been influenced by the tendency to seek pleasure and become tainted by the bureaucratic style of work. A small number of party cadres have abused power for personal gain, embezzled public funds, accepted bribes in violation of law, and have even committed crimes. Negative and corrupt phenomena exist in party and government organs and are growing and spreading in some aspects. The masses of party members and people abhor and are very critical of this. Recently, the party Central Committee made a brilliant decision to launch a struggle against corruption, mapped out countermeasures and a guiding thought for the fight against corruption under the new situation, and set the task for the anticorruption struggle in the near future. We must resolutely and effectively launch a struggle against corruption in Xinjiang in accordance with the plan of the Central Committee. We must achieve notable results in the near future in order to win the trust of the people. At the same time, we must intensify the work to improve the party's work style and promote clean government. Leading cadres at all levels must preserve and carry forward the revolutionary spirit of hard struggle, work selflessly for the public interest, observe discipline, and

be honest in performing official duties; they must resolutely oppose money worship, hedonism, and out-and-out egoism; they must maintain close ties with the masses, earnestly listen to their opinions and demands, and wholeheartedly do good for the people of all nationalities. Improving the party's work style and promoting clean government constitutes the expectations of the proletarian revolutionaries of the older generation and the desire of the party and the people. We should concentrate on doing our work seriously and strive to build the party organizations at all levels in Xinjiang into a strong nuclei capable of guiding socialist modernization, so as to provide a strong organizational and political guarantee for stability and development in the autonomous region.

The development and changes that have taken place in Xinjiang are an embodiment of the blood and sweat of several generations of Chinese Communists, as well as an embodiment of the expectations of countless revolutionary martyrs. We should closely rally round the party Central Committee headed by Comrade Jiang Zemin, thoroughly implement the party's basic line, pay great attention to stability and development, further strengthen national unity, advance economic construction, improve the living conditions of the people of all nationalities, consolidate the motherland's frontier defense, and work hard to build Xinjiang into a most important base of China's socialist modernization drive in the 21st century.

Industry Federation Leader Visits Beijing*OW2210104993 Taipei CNA in English 0804 GMT
22 Oct 93*

[By M.H. Yeh and Y.C. Tsai]

[Text] Beijing, Oct. 21 (CNA)—A Taiwan trade organization Thursday pledged to work together with its mainland Chinese counterpart to promote cross-Taiwan Strait cooperation.

Hsu Sheng-fa, chairman of the Taipei-based Chinese National Federation of Industries (CNFI), said increased cross-strait trade exchanges will have a positive effect on bilateral ties.

The Taiwan entrepreneur noted that he would invite Zheng Hongye, chairman of Beijing's Council for the Promotion of International Trade (CPIT), to visit Taipei once visits to Taiwan by mainland businessmen are legalized.

"Both parties hope to establish a reciprocal relationship," Hsu pointed out.

While regretting the CNFI plan to open mainland offices has not materialized, he said the CPIT could help Taiwan manufacturers tap the vast mainland market. The CPIT has a number of branch offices around the mainland, he added.

Moreover, he stressed, mainland authorities should further protect the interests of Taiwan investors in such fields as personal and property safety as well as intellectual property rights.

Hsu, formerly a member of the Kuomintang's policy-making central standing committee, arrived in Beijing late Thursday as leader of a 21-member trade delegation. This is his first visit to the mainland.

Delegation members include Vice Chairman Kao Ching-yuan of the president group and Chuang Kuo-chin of Far East Machinery Co., Ltd.

Kao said the mainland needs to speed up economic legislation in order to lure more investments from Taiwan's big enterprises.

For instance, he added, the future implementation of the mainland's banking law and corporate law will certainly benefit Taiwan investors.

Cross Strait-Trade Via Hong Kong 'Has Slowed'*OW2310103893 Taipei CNA in English 0750 GMT
23 Oct 93*

[By Danielle Yang]

[Text] Taipei, Oct. 23 (CNA)—The growth of two-way trade between Taiwan and Mainland China via Hong Kong has slowed, the Board of Foreign Trade (BOFT) said Saturday [23 October].

According to Hong Kong customs statistics, cross-Taiwan strait trade in the first eight months of 1993 totaled US\$5.66 billion, up 21.31 percent over the same period of 1992.

During the January-August period, exports from Taiwan to Hong Kong totaled US\$4.96 billion, an increase of 26.36 percent over 1992 tallies, while imports totaled US\$701 million, a decrease of 5.44 percent.

BOFT said the figures showed a slowdown in growth of indirect cross-strait trade when compared to previous annual growth of more than 30 percent. They attributed the slowdown to Communist China's credit-tightening measures, which have resulted in a decrease in Taiwan's investments on the mainland.

In September alone, Taiwan received US\$6.99 billion worth of foreign orders, up 3.11 percent from September 1992. However, orders from Hong Kong showed a monthly increase of 2.04 percent and an annual decrease of 17.65 percent.

Official Urges Legalizing Use of Mainland Seamen*OW2210114793 Taipei CNA in English 0823 GMT
22 Oct 93*

[By Debbie Kuo]

[Text] Taipei, Oct. 22 (CNA)—The government should consider legalizing the employment of mainland Chinese seamen to help offset labor shortages on Taiwan fishing vessels, an official of the Council of Agriculture (COA) said Friday [22 October].

The government should not continue to ignore the fact that many mainlanders work on Taiwan fishing boats, Li Jen-chyuan, director of COA's fisheries department, said during a hearing on the issue.

Instead, Li suggested that the government take a more positive attitude by legalizing mainland crew members and regulating their use.

It is estimated that at least 8,000 mainlanders are working on Taiwan fishing boats operating near Keelung in the north, while another 2,000 are estimated to be working on ships near Ilan in eastern Taiwan, Li reported.

In consideration of national security, Li added, mainland crew members, even if legal, should not be allowed onto Taiwan land.

Taipei Links Technology Transfers to Arms Deals*OW2410095293 Taipei Voice of Free China in English
0200 GMT 24 Oct 93*

[From the "News" program]

[Text] A military spokesman said Friday [22 October] the ROC [Republic of China] will require foreign arms

companies to provide us with military technology or production contract in exchange for major purchases of weapons. The spokesman quoted Deputy Chief of the General Staff (Chou Chen-chi) as saying foreign suppliers will have to offer offset agreement worth less than 10 percent of the value of the contract in arms purchases (of more than) \$50 million. Chou told a military seminar organized by the Legislative Yuan, or parliament, such offset agreement will include technology transfer to Taiwan, joint production of components, research and development, or investment in Taiwan. Taiwan has been a major buyer of foreign weapons in the past few years, and it is also seeking to develop its indigenous defense and aerospace industries. Since last year, the island has agreed to buy 150 F-16 jet fighters, worth \$6 billion, from the United States, and 60 Mirage-2005 fighters, reportedly worth \$2.6 billion, from France, and it has been discussing purchases of missiles and other arms.

Trade Deficit With East Europe 'Widened'

OW2210112993 Taipei CNA in English 0834 GMT
22 Oct 93

[By Lilian Wu]

[Text] Taipei, Oct. 22 (CNA)— Taiwan's trade deficit with East Europe widened after exports to East Europe dropped while imports grew in the first nine months this year.

Statistics from the Ministry of Finance showed that exports to East Europe totaled US\$220 million, while imports from East Europe amounted to US\$1 billion during the nine months. Taiwan registered a trade deficit of US\$780 million, the statistics showed.

Officials estimated that two-way trade between Taiwan and East Europe would amount to US\$1.5 billion in 1993, double that of in 1992.

Major Taiwan exports include household items, as well as electronic and information products.

Officials said that East Europe's exports to Taiwan increased recently with those from Commonwealth of Independent States (CIS) showing the largest growth.

CIS exports to Taiwan totaled US\$730 million during the Jan.-Sept. period, up 450 percent from the same period last year.

Officials said without a sound distribution network and stable economic and political environments in east Europe, however, the prospect for more Taiwan exports was not too bright.

They added that Taiwan may need to increase imports of raw materials from East Europe for its ongoing six-year development plan, and Taiwan's trade deficit with the region is expected to continue to grow.

Constitutional Court Officially Opens 22 Oct

OW2210112793 Taipei CNA in English 0839 GMT
22 Oct 93

[By Y. C. Tsai]

[Text] Taipei, Oct. 22 (CNA)— The Republic of China [ROC]'s first constitutional court opened Friday [22 October], marking a milestone in ROC judicial history.

Officiating at the inauguration ceremony, Judicial Yuan President Lin Yang-kang said the court aims to regulate the activities of political parties in a democratic country.

The court was inaugurated in line with an additional article to the Constitution, which passed the National Assembly in May 1992.

Composed of all 15 grand justices, the court is located at the Judicial Yuan Building.

Noting the Judicial Yuan president is excluded from the court, Lin stressed that a senior grand justice will act as presiding judge to make independent review and judgment of cases.

The grand justices are entitled to interpret the Constitution and laws at the court. Lin pointed out, adding the council of grand justices has rendered more than 300 interpretations since its establishment in 1948.

K.T. Li, senior advisor to President Li Teng-hui, while addressing the ceremony, said the establishment of the constitutional court will greatly help resolve constitutional disputes and thus accelerate the political democratization of Taiwan.

Statistics show that Taiwan is the world's 12th country to set up a constitutional court. The other 11 countries are Germany, Austria, Italy, Spain, Hungary, Chile, Australia, South Korea, Thailand, Turkey, and Russia.

Hong Kong

Continued Reportage on Sino-British Talks

Latest Round Ends

HK2810100793 Hong Kong AFP in English 0950 GMT 28 Oct 93

[Text] Beijing, Oct 28 (AFP)—Britain's negotiator warned Thursday an agreement with China over Hong Kong's democratic reform was by no means certain, pledging London would not abandon its colony to protect ties with Beijing. "I still remain uncertain as to whether we can achieve an agreement" because a gap remains between the two sides, said British Ambassador Robin McLaren after the 15th round of negotiations on a row over broadening the franchise in the last elections before Hong Kong reverts to China in 1997. The slow-moving talks are to resume here November 19 and 20, after Hong Kong Governor Chris Patten's trip to London to consult Prime Minister John Major on the possibility of proceeding unilaterally with his proposals.

An unusually tough-talking McLaren said Britain stuck by Patten's statement—made three weeks ago—that weeks rather than months remained for an agreement to be reached. Promising to stand by the colony, he said, "We on the British side are not going to reach an agreement which would result in Hong Kong being a victim. That you can be sure of." But the British ambassador said it remained the British side's "earnest wish" to reach an agreement. "An agreement will be best for Hong Kong if we can achieve it," he said, but urged for greater flexibility from China.

The row stems from proposals made by Patten in October last year to extend the franchise in 1994 district board elections and 1995 legislative polls. China has rejected the plan saying it violates previous accords and threatened to dismantle Hong Kong's legislature should Britain proceed unilaterally. McLaren said the two sides had had "detailed, serious and substantial" talks on both elections, adding they discussed the so-called 'through-train'—or British demands that legislators elected in 1995 may serve out their full four-year term whatever their political view.

"It is valuable that we are discussing the through train," he said, while rejecting suggestions the inclusion on the agenda of the issue—the main sticking point in the talks—was a big step forward.

Qian Qichen, Chinese vice premier and foreign minister, told a visiting trade delegation from Hong Kong that if the Sino-British negotiations failed, "It does not mean that Sino-British relations have completely broken down." Qian said both countries could still cooperate on other matters concerning Hong Kong, and urged industrial and commercial sectors in the territory not to worry.

Chinese Foreign Ministry spokesman Wu Jianmin said after the talks that "certain progress" had been made,

but added "there is still much to be done before the two sides reach agreement. As far as the Chinese side is concerned we have been sincere toward the talks and we would like to make continued efforts so as to reach an agreement with the British side on the basis on the three principles," he said. "But it requires joint efforts of the two sides to reach an agreement," he added.

Patten is to travel to London on November 8.

16th Round To Be Held

CM2810141793 Beijing XINHUA Domestic Service in Chinese 0833 GMT 28 Oct 93

[Text] Beijing, October 28 (XINHUA)—China and Britain will hold the 16th round of talks in Beijing on 19 and 20 November on the arrangements for the 1994/1995 elections in Hong Kong according to sources from the Chinese Ministry of Foreign Affairs.

The sources said the two sides have agreed that Jiang Enzhu, Chinese Government representative and vice-minister of foreign affairs, and Sir Robin McLaren, British Government representative and British ambassador to China, will hold the talks in accordance with the Sino-British Joint Declaration, Principles of Convergence With the Basic Law, and the relevant agreements and understandings reached between the two countries.

Editorial on Talks

HK2810072093 Hong Kong TA KUNG PAO in Chinese 28 Oct 93 p 2

[Editorial: "If the British Side Does Not Create Difficulties, an Agreement Can Be Reached"]

[Text] Everyone is happy to learn that there has been progress in the Sino-British talks on Hong Kong's electoral arrangements. If there is greater progress, or even a breakthrough promising a way out in the 15th round of talks, which conclude today, the Hong Kong people will be encouraged.

As a matter of fact, the Chinese side has always been of the opinion that the Sino-British talks should and will yield results. State President Jiang Zemin has expressed this intention on many occasions, hoping to see the "skies clear after rain" as soon as possible. He said days ago: "We believe positive results will be achieved as long as the Sino-British talks on the Hong Kong issue proceed according to the Sino-British Joint Declaration and the principle of convergence with the Basic Law, as well as the agreements and understandings reached between China and Britain. This will be beneficial to the improvement and development of Sino-British relations."

Yesterday British representative Robin McLaren said that the British side has no difficulty at all in accepting these principles (three principles), adding that if there is any difficulty to mention, it is the different opinions

between the British and Chinese sides (on the principles). Judging from the facts in the past, the difficult pace of the talks was not caused by the two sides' different understandings on the principles, but because the British side did not sincerely accept or implement these correct principles on handling the Hong Kong issue; it created difficulties.

The question of the "through train" has become a difficulty in reaching an agreement in the talks. This should not have been so. This absolutely has been created by the British side. Why do we say this? The British side says the question of "through train" is important, but the Chinese side does not say it is unimportant; the British side says the question of the "through train" should be resolved in the talks, and the Chinese side also says the entire process of talks is aimed at allowing the "through train" to pass toward 1997. Where is the difference? The problem is that the British side asked the Chinese side to confirm before 1995 the criteria for 1997 legislative councillors, while proposing that "pledging to remain loyal" should be taken as an objective criterion, in an attempt to force the Chinese side to accept. This is difficult. The organization to "confirm" the criteria is the Preparatory Committee of the Hong Kong Special Administrative Region [SAR], which will be established by the National People's Congress [NPC], and the explanations on the criteria to be confirmed also lie with the Preparatory Committee, which will be formed in 1996. This is the decision of the NPC, and cannot be violated. It is extremely difficult to change the conditions and procedures decided by the NPC for legislative councillors and to re-establish the objective criteria for the "through train" some two years before the establishment of the SAR Preparatory Committee. It is difficult not only in terms of law, but also in reality. This difficulty has been created by Chris Patten. If the British side tries to hamper the talks reaching an agreement because the Chinese side cannot confirm the criteria for the "through train," this only indicates that it has no sincerity in the talks.

Neither should there be any difficulty in reaching an agreement on District Board and Municipal Council electoral arrangements. It is believed that the Chinese side will handle flexibly such non-principle issues as voters' ages. What remains is how to treat the question of appointed membership, which involves the principle of orderly progress. The Chinese side remains unmoved on this question, but the British side wants to abolish it. Does abolishing appointed membership correspond with popular feelings? Is it reasonable? No. Eighteen of the 19 District Board chairmen object to abolishing appointed membership, and more than 150 District Board members jointly signed against abolishing it. A public opinion poll indicates that only more than 20 percent agree with the abolition of appointed membership. Did Chris Patten not say in his policy address that "the argument turns on whether the agreed steps toward democracy will give the people Hong Kong a real opportunity to choose?" Then does he respect the choice made by the

Hong Kong people on the retention or abolition of appointed membership for District Boards and Municipal Councils? Moreover, which article or clause in the 1984 and 1988 Hong Kong Government White Papers on constitutional government or in the Sino-British Joint Declaration, or in the Basic Law stipulates that District Board and Municipal Council appointed membership will be abolished? If the question of District Board appointed membership constitutes a difficulty in reaching an agreement in the talks, this difficulty has been created by Chris Patten.

The question of forming the Electoral Committee seems a little complex, but it is not difficult to reach an agreement because the Basic Law, its annexes, and diplomatic letters between China and Britain in 1990 all carry explicit instructions on the principles, proportion, and formation of the Electoral Committee; the remaining problems being some details and the number of people, which need to be discussed. As long as the British side takes steady transition into account, abides by principles, and does not create difficulties, an agreement absolutely can be reached at an early date.

Objective difficulties are not terrible; what is terrible is man-made difficulties. We advise the British side to be truly sincere in reaching an agreement, instead of creating difficulties.

China Ready for 'Both Eventualities'

HK2810075593 Hong Kong WEN WEI PO in Chinese
28 Oct 93 p 16

[Dispatch by staff reporter Chen Chien-ping (7115 1696 1627): "Wang Qiren Stresses That the Chinese Side Hopes an Agreement Can be Reached As Early As Possible, But Has Prepared Itself for Both Eventualities To Maintain Hong Kong's Stability"]

[Text] Beijing, 27 Oct (WEN WEI PO)—Wang Qiren, deputy director of the State Council Hong Kong and Macao Affairs Office, said here today that there are many things to be settled by the Chinese and British sides. We hope that the talks on the issue of Hong Kong's electoral arrangements being conducted by both sides can reach an agreement on the basis of the "three conformities" as early as possible rather than dragging on in a drawn-out manner. In the meantime, we have also prepared ourselves for both eventualities and no matter how the talks turn out we must maintain Hong Kong's smooth transition in the political and economic fields.

Wang Qiren met with a visiting delegation from the Youth Committee of the Hong Kong Chinese General Chamber of Commerce headed by Hu Ching-chang in the Hong Kong and Macao Affairs Office. When asked about his views on the ongoing Sino-British talks, Wang Qiren made the above-mentioned comments. Wang Qiren said: Progress will definitely be made as long as

the talks are conducted in line with the "three conformities" principle, rather than on the basis on Patten's package.

Wang Qiren explained to the visitors in detail why the current Sino-British talks must set the "three conformities" as the principle. He said: The Sino-British Joint Declaration signed in 1984 is an international document. The Declaration unequivocally stipulates that Britain will terminate its 150 years' of colonial rule over Hong Kong after 30 June 1997, and the PRC will resume its exercise of sovereignty over Hong Kong. The Declaration is an important basis and a fundamental precondition for settling the Hong Kong issue. If we do not work on the basis of the Declaration and do not recognize the Declaration, the talks will get nowhere. Second, the talks must be conducted on the basis of converging with the Basic Law. The Basic Law, which is the "mini-constitution" of Hong Kong after 1997, has laid down rules in a legal form on Hong Kong's social, political, economic, and cultural systems. If developments during the transition period do not link with the future in accordance with the directions stipulated by the Basic Law and do not completely converge with the Basic Law, it will be very difficult to prevent derailment from the course of development. Only when developments during the transition period converge with the Basic Law can a smooth transition be realized. Third, the talks must be conducted on the basis of past agreements reached by the Chinese and British sides. These agreements and understandings are the consensus already reached between the two sides. How can the talks have any meaning if one of the parties goes back on its past promises and does not care about its reputation? Therefore, we hope that the British side will really treat the "three conformities" principle as the point of departure. The talks must make progress if the British side is really sincere.

Wang Qiren said: If the talks can reach an agreement, Hong Kong's economy will certainly develop smoothly. On the other hand, if the two sides cannot reach an agreement, although we, subjectively speaking, want to separate politics from economic matters and hope that Hong Kong's economy will remain unaffected, the objective circumstances may not allow us to do everything we want. As far as the Chinese side is concerned, even though this situation has arisen, it will definitely make the greatest possible effort and do what it can to lessen the impact. In order to maintain Hong Kong's stability and prosperity and enable Hong Kong to keep developing, we have prepared ourselves for the result of the talks and various situations which may arise in Hong Kong.

Responding to questions raised by the visitors on the pegged exchange rate system, Wang Qiren said: The pegged exchange rate system in Hong Kong was introduced in 1983 to stabilize Hong Kong's financial and economic situation. Now, we can see that this is not a perfect measure, but nevertheless such a financial policy should continue under a situation where there is no

better alternative. Indeed, viewed from the current situation, it seems that it is not necessary to change this policy in the foreseeable future after 1997.

Finally, Wang Qiren said: Industrial and commercial circles, particularly the younger generation of businessmen and industrialists, have a great responsibility to maintain Hong Kong's prosperity and stability and can make a lot of contributions in this respect. As the blueprint of Hong Kong's future was made in accordance with the Basic Law, youth will have unlimited opportunities in the future.

Chen Zuor, director of the First Department of the Hong Kong and Macao Affairs Office, attended the meeting.

Scholars View Deng's 1982 Talk on Hong Kong

HK2510031093 Beijing LIAOWANG in Chinese No 42, 18 Oct 93 pp 26-28

[Unattributed report: "Beijing Scholars Talk Freely About the Significance of Comrade Deng Xiaoping's Talk on the Hong Kong Issue"; first paragraph is LIAOWANG editor's note]

[Text] On 24 September 1982, Comrade Deng Xiaoping spoke to Mrs. Thatcher about the Hong Kong issue. Eleven years later, the full text of the discussion was made public for the first time. This attracted a great deal of attention from people inside and outside the mainland. A number of scholars and experts in Beijing who were continuously involved in the drafting the Basic Law of Hong Kong and in the work of preparing for the recovery of Hong Kong found that the talk deeply touched their hearts. At LIAOWANG's invitation, they talked about their personal feelings and the immediate and historical significance of Xiaoping's talk in their capacity as eyewitnesses of the events. Their discussions are published here to meet the needs of our readers.

Li Hou (Former Deputy Chairman of the Hong Kong Basic Law Drafting Committee): Patten's Political Reform Package Is a Serious Problem Which Affects the Smooth Transition

Comrade Deng Xiaoping's comments explicitly express the Chinese Government's firm position on recovering Hong Kong in 1997 and the policies for Hong Kong beyond 1997. It also refutes various absurd arguments that China's modernization cannot continue without Hong Kong's prosperity and that Hong Kong's prosperity cannot be sustained without British administration.

The open publishing of the talk at this time has great immediate significance.

In those days, Comrade Xiaoping already foresaw that certain man-made confusion might occur in the transitional period. This has now proved to be the case. Over the past few years, especially since the late 1980's, trouble has occurred again and again. To avoid going too

far back, take the ongoing Sino-British talks on the arrangements of the 1994-95 elections to the Hong Kong Legislative Council. The two sides reached agreement on this issue in the past, but the so-called "constitutional reform package" brought about new trouble and complicated the issue, forming a major obstacle to the smooth transition.

It should be pointed out that it was the British rather than the Chinese side that took the lead in requiring that the elections to the last term of the Hong Kong Legislative Council be arranged according to the relevant provisions of the Basic Law. When the Basic Law Drafting Committee considered the methods for forming the first government and the first legislative council of the Hong Kong Special Administrative Region [SAR], the original plan worked out by the Chinese side was as follows: The first SAR Legislative Council will be elected by the Election Committee, and members of the Hong Kong Legislative Council can be as candidates. In March 1988, the British side offered a proposal to the Chinese side, and it proposed that "certain arrangements be made to allow all members of the last term of the Hong Kong Legislative Council to become members of the first SAR Legislative Council as long as they meet the requirements prescribed by the Basic Law." If the Chinese side was willing to accept such arrangements, the British side would "adopt regulations commensurate with the relevant provisions of the Basic Law on the elections to the SAR Legislative Council when arranging the elections to the last term of the Hong Kong Legislative Council." Afterwards, the two sides reached agreement on the number of members in the last term of the Hong Kong Legislative Council and in the first SAR Legislative Council returned through direct elections and on the formation of the Election Committee, and then the Chinese side adopted the British side's proposal and made the corresponding stipulations in the Decision of the National People's Congress [NPC] on the formation of the first SAR Government and the first SAR Legislative Council. If the British side is no longer willing to arrange the election of the last Hong Kong Legislative Council according to the Basic Law and the relevant NPC decision, then the Chinese side will never agree to allow the members of the last Hong Kong Legislative Council to become members of the first SAR Legislative Council. Such a consequence will do no harm to China or to Hong Kong's prosperity and stability. On the contrary, Britain will suffer certain losses.

Wang Shuwen (Former Member of the Hong Kong Basic Law Drafting Committee and Professor for the Law Institute of the Chinese Academy of Social Sciences): The Great Conception of 'One Country, Two Systems'

In his important talk "Our Basic Position on the Hong Kong Issue," Comrade Xiaoping expounded the great conception of "one country, two systems," and set forth the basic policy of our party and state for resolving the Hong Kong issue. It is a document which has great historical and immediate guiding significance.

Comrade Xiaoping primarily mentioned three points: 1) the issue of sovereignty; 2) continuing to maintain Hong Kong's prosperity; and 3) preventing major instability [da de bo dong 1129 4104 3134 0520] from appearing in Hong Kong. These three basic points constitute the essential elements for resolving the Hong Kong issue. The talk expresses our country's solemn position on these three points.

Comrade Xiaoping's idea about safeguarding state sovereignty, national unity, and territorial integrity finds full expression in the Basic Law of Hong Kong. The Basic Law explicitly specifies that our government will restore the exercise of sovereignty over Hong Kong in 1997, that the Hong Kong SAR is an inalienable part of the PRC and is a local administrative region which enjoys a high degree of autonomy and comes directly under the Central People's Government, and that the Central People's Government is responsible for the foreign affairs related to the SAR and its defense.

At the same time, Comrade Xiaoping was deeply concerned about continuing to maintain Hong Kong's prosperity and stability, and pointed out that this fundamentally depends on the implementation of policies suited to Hong Kong after China recovers Hong Kong and begins to exercise control over Hong Kong. He also repeatedly emphasized that these policies are firm and invariable. At the same time, the Basic Law specifies the high degree of autonomy that the Hong Kong SAR will enjoy.

Comrade Xiaoping's talks in 1982 still have great immediate guiding significance for ensuring the smooth transition of Hong Kong and the smooth transfer of government in Hong Kong in 1997. In his talk, he emphatically pointed out: I am worried about the transition process in the transitional period and am worried about the appearance of major confusion in this period. This confusion may be caused by certain people, not only foreigners but also Chinese individuals, and primarily British people. This point has been clearly proven by facts. Chris Patten dished out the constitutional reform package, and it was in essence aimed at causing confusion and obstacles to the smooth transfer of government in Hong Kong and to Hong Kong's smooth transition. It goes against the Basic Law, violates the Sino-British Joint Declaration, and violates the understandings and agreements the two sides have reached in the past. It has not only caused a man-made obstacle to Sino-British cooperation and provoked a confrontation between the two sides, but it has also completely trampled upon the wishes of the Hong Kong people, has violated the interests of the Hong Kong residents, and has done serious harm to Hong Kong's prosperity and stability. The publishing of Comrade Xiaoping's talk on the Hong Kong issue has shown that, in any circumstances, we have the determination and ability to restore the exercise of sovereignty over Hong Kong, to carry out the principle of "one country, two system," and to maintain Hong Kong's long-term stability and prosperity.

Xiao Weiyun (Former Member of the Hong Kong Basic Law Drafting Committee and Professor for the Law Department of Beijing University): Maintaining Prosperity and Stability, Adhering to the Principle of Sovereignty [subhead]

Comrade Xiaoping's talk 11 years ago sounds like something that could have been uttered yesterday. The process of things in the past more than 10 years has proven the foresight and guiding significance of his comments. Xiaoping was worried that "confusion would be caused by certain people," "primarily British people." Isn't this the case in reality? At the beginning, there was some smooth cooperation between China and Britain. After the Basic Law was drafted, public opinion in Hong Kong and in Britain praised the document. Former British Foreign Secretary Howe also said that the Basic Law was quite unusual because 95 percent of its provisions look like British laws. As soon as Chris Patten arrived in Hong Kong, the through train arrangements made by China and Britain were changed. Therefore, Comrade Xiaoping was completely right in saying that the trouble was "man-made," and he foresaw this development.

It was not an accident that Comrade Xiaoping's prediction was correct; instead, the prediction was based on profound historical facts and the current situation. China maintains that its sovereignty is beyond discussion and should be the precondition for the talks. China's recovery of sovereignty over Hong Kong in 1997 represents the wishes of the Chinese people for more than 100 years. The formation of the first SAR Government and the first SAR Legislature must follow the principle of state sovereignty and smooth transition. Some people proposed that the Hong Kong SAR Preparatory Committee not be set up or that it be completely composed of Hong Kong people. Such opinions were all untenable, because Hong Kong's return to China is an important matter which affects the entire Chinese people, including the Hong Kong people. How can this matter be handled only by a certain number of Hong Kong people? This is an issue of sovereignty.

We must consistently strive for a smooth transition and must also adhere to the principle of sovereignty. This brooks no concession. If the British side is sincere in arranging the elections according to the principles specified by the Basic Law, then it will not be difficult for the Chinese and British sides to reach an agreement. The British side is currently trying to force the Chinese side to make concessions on the issue of sovereignty, and this will only artificially damage cooperation between the two sides. Only if the British side change this position can effective consultations be carried out between the two sides.

Xu Chongde (Former Member of the Hong Kong Basic Law Drafting Committee and Professor for the Law Department of the Chinese People's University): Deng Xiaoping's Talk May Prompt Some People To Sober Up

When the Sino-British talks on the 1994-95 election arrangements in Hong Kong were making no significant

progress for reasons not on the Chinese side and at a time when Hong Kong's transition is facing certain obstacles, XINHUA published the text of Comrade Deng Xiaoping's talk when meeting with Mrs. Thatcher in 1982 (referred to as "the talk" hereinafter) to reiterate our basic position and to indicate our firm determination to adhere to the principles. This may be a dose of medicine to sober up those who underestimate the determination and confidence of the Chinese people.

Hong Kong is China's territory from ancient times, so the talk solemnly points out: "The issue of sovereignty is beyond discussion." Recovering Hong Kong is the common desire of all Chinese people. We have waited for a long time. With consideration being given to the interests of all parties concerned, we have formulated principles and policies acceptable to all sides. If some people think that we are weak and easy to bully and if they try to create new trouble and make things more complicated at a time when Hong Kong is soon to be recovered by China, then they will certainly make a gross error.

We hope for stability and prosperity in Hong Kong and also hope for the British side's cooperation in order to prevent the appearance of major instability [bo dong 3134 0520] in the transitional period. However, as the talk points out, when making our policy decisions, we "have given consideration to all possibilities." At that time, Comrade Deng Xiaoping said that he was worried about the appearance of major confusion [hun luan 3236 0052] in Hong Kong during the transitional period. He also foresaw that those who caused the confusion would primarily be British people. Thus, he warned in the talk: "Nothing should be done to affect Hong Kong's prosperity." He also mentioned in the talk: We are also considering an issue that we are not willing to consider. That is, what should be done if serious instability [bo dong 3134 0520] occurs in Hong Kong during the transitional period? He gave a resolute answer to this in the talk: "If that is the case, the Chinese Government will be forced to reconsider the time and form of recovering Hong Kong."

This is indeed an issue that we are not willing to consider and are even less willing to see that the prophecy has unfortunately come true. The wind will not subside, however, even though the tree may prefer calm. The development of the situation shows that such a dangerous possibility cannot be ruled out in reality. Therefore, we require the British side to realize its errors and mend its ways and return to the path of cooperation! The publishing of the talk explicitly tells the world that the Chinese people are ready and have the determination to recover Hong Kong by removing all obstacles. We shall have the ability and confidence in any circumstances to maintain Hong Kong's stability and prosperity, and to better administer Hong Kong after recovering it. If the British continued to refuse to cooperate, it will get nowhere and gain nothing.

Wu Jianfan (Former Member of the Hong Kong Basic Law Drafting Committee and Professor for the Law Institute of the Chinese Academy of Social Sciences): No One Is Allowed To Play Tricks on the Issue of Sovereignty

Comrade Deng Xiaoping's talk on the basic position on the Hong Kong issue represents the hope of the entire people, including the Hong Kong compatriots. Over more than 100 years, the Chinese people, from generation to generation, hoped to recover sovereignty over Hong Kong. Now, we have the ability to recover Hong Kong and to ensure, in the form of law, that "one country, two systems" will be implemented after Hong Kong returns to China in 1997 and to continue to maintain Hong Kong's prosperity and stability. This represents the long-term interests of the Hong Kong people as well as the interests of both the Chinese and British sides.

The Chinese Government always adheres to this consistent position on the Hong Kong issue. At the beginning, the British people had illusions about the issue of sovereignty and insisted that the three unequal treaties were still valid. Later, they dished out the proposal for exchanging sovereignty for administrative power and continued to refuse to return sovereignty. Finally, through talks that took more than one year, we took back sovereignty. On the issue of sovereignty, the Chinese Government always adheres to its position, and only by acting according to this principle can we smoothly resolve the Hong Kong issue. If someone tries to play a trick on this issue, then matters will only be made more difficult. This has been proved by facts in reality. In the first stage after the signing of the Sino-British Joint Declaration, cooperation between the two sides was quite smooth on the whole. After Patten came the situation changed dramatically, however. This also showed that the British side changed its previous attitude of cooperating with China in solving the Hong Kong issue and they thought that this would better meet its interests. In fact, they were totally wrong. The Chinese side will never change its position on principles, and the change made by the British side only caused new obstacles and troubles to the Hong Kong issue and harmed the interests of the Hong Kong people. The British side itself cannot gain any benefit from such change.

If Patten sticks to his "three violation" constitutional reform package, as Chinese Foreign Minister Qian Qichen told British Foreign Secretary Hurd at their meeting in the United Nations, Sino-British cooperation will become impossible, and difficulties will mar Hong Kong's smooth transition. China will be able to effect

Hong Kong's smooth transition under difficult circumstances. It is the British interests and the long-term interests of Hong Kong that will be harmed. Moreover, as Britain is spoiling things in Hong Kong before its withdrawal and is causing so much trouble, it will not leave a favorable impression on the Hong Kong people. Therefore, the consequences for the British side will be very serious as it takes the path of confrontation with China. It should give this matter serious thought.

Report Says XINHUA Official To Retire 'Soon'

*HK2510131993 Hong Kong HSIN PAO in Chinese
25 Oct 93 p 17*

[*"Hong Kong Pulse"* column by Yu Chin-hsien (0151 6930 6343): "Zhang Junsheng Will Retire Soon and Return to Mainland"]

[Text] Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, is probably the best known in Hong Kong of XINHUA high-ranking officials. Of all the deputy branch directors, Zhang Junsheng has worked the longest period. It has been spread on the Chinese side that Zhang Junsheng will soon be transferred back to China, causing some people to guess that the Chinese side will "change the marshal before taking the position" with a view to calling back tough Chinese officials to show willingness for a compromise with Britain.

But this is not true. Zhang Junsheng's tenure in Hong Kong has been much longer than that of ordinary cadres. It is normal practice that a high-ranking cadre is transferred after taking up an overseas assignment for three or four years. However, since Chris Patten assumed the governorship, in order to stabilize its position, the Chinese side had to retain some cadres familiar with Hong Kong in order to cope with him. Therefore, they did not transfer Zhang Junsheng elsewhere. Zhang Junsheng has become increasingly courageous and has become Patten's number one opponent, so his fame is, believably, not less than Patten's.

After Xu Jiatun fled to the United States, his group of personnel were gradually transferred with only deputy branch directors Zhang Junsheng and Mao Junnian left behind. But Mao Junnian has been sick for years and his ability to engage in activity has greatly weakened. Zhang Junsheng is the deputy branch director who spans the periods of Xu Jiatun and Zhou Nan and who is still active. His public appearances are more frequent than that of branch director Zhou Nan.

On first being transferred to Hong Kong, Zhang Junsheng was in charge of the XINHUA branch's propaganda department and was on good terms with the press circles. The annual mainland visits by the press delegations were headed by Zhang Junsheng or went using his

organization or arrangements. In recent years, when the bosses of the various press entities have visited central leaders in Beijing, deputy branch director Zhang Junsheng has busied himself in accompanying them. We can say that Zhang Junsheng's old friends include frontline reporters as well as press bosses.

Moreover, whenever the various parties of Hong Kong come for a dialogue with the XINHUA Branch, they would deal mostly with Zhang Junsheng. Zhou Nan stays behind the scenes and never appears before them. If

Zhang Junsheng, who has such wide-ranging connections, is transferred back to the mainland, all the other deputy directors will have to learn everything from scratch and establish ties with all sectors again.

Of all the other deputy branch directors, Zhang Guoxiong is most active and most likely to take Zhang Junsheng's place. Qin Wenjun is another possible candidate. In short, if Zhang Junsheng retires, the Chinese side will have to find another outstanding person to balance Patten's "political showmanship [xiu 4423]" and Zhou Nan will surely not play that role.

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